Daily Report

Latin America

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FBIS-LAT-96-097 *17 May 1996*

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International Affairs: NAM Bolsters Presidency's Authority

PA1705012596 Madrid EFE in Spanish 1955 GMT 16 May 96

[FBIS Translated Text] Cartagena (Colombia), 16 Aug (EFE) — The Nonaligned Movement [NAM] today decided to grant its Presidency more decisionmaking power in order to allow it to act more swiftly and assume more effective stands before the international community.

Colombian Ambassador to the United Nations Julio Londono Paredes, announced today at the conclusion of a three-day meeting in Cartagena that "the movement will be noticeably strengthened and will assume more vigorous stands before the international community.

Londono said delegates of 74 of the 113 NAM countries, 38 of whom are on the Methodology Committee, approved a consensus procedure. The meeting was attended also by guests and observers.

This new work method "represents more than a decision by the majority, it is a majority opinion that has no important or continuous opposition," said Colombia's delegate, whose country presides over NAM for the period 1995-1998.

The purpose of the meeting that concluded today was to make the movement's slow and outdated decisionmaking mechanisms swifter. On 1 September, it will be 35 years since the movement was created at the summit in Belgrade, in the former Yugoslavia of Jozip Broz Tito, one of the movement's founders.

Ambassador Londono, who heads the NAM Coordination Committee formed by the NAM ambassadors at the United Nations, explained that from now on, the NAM Presidency will be able to swiftly coordinate decisions.

He said: "The voice of a single country cannot be heard, not even the voice of 10 countries, but the voice of 113 countries has to be heard. This is the only way developing countries can secure anything, especially in an environment dominated by the more developed countries, which have much economic and political power."

Londono Paredes said it was also established that the movement "will not have stable guests and that the NAM president, that is, the country that hosts a presidential summit every three years, will invite whatever country it deems adequate to invite."

In addition, the Colombian delegate said, the Presidency of the movement will have the power to decide when there is consensus for adopting such a decision. He added: "This is the first time the Presidency has had important political responsibilities, considering that very sensitive issues" will be treated.

The by-consensus-approved procedure, which the delegate described as "sufficiently vigorous," will depend on the president. He will determine it," Londono Paredes said. [quotation marks as received]

This tool will permit overcoming obstacles such as the one that emerged in Cartagena in October 1995 during the 11th NAM Summit, when it was not possible to allow Costa Rica to join because of opposition from the Arab countries, or Japan, because of objections from North Korea.

A decision on the situation of the former Yugoslavia, which is currently represented by Serbia, is still pending, with Bosnia awaiting its admission.

Londono explained that "the Presidency is being given additional functions and tasks" and that reaching the kind of agreement the organization has reached "is very difficult in a movement of this nature, which comprises very different countries," like Singapore, which is wealthy, and Mozambique, which is poor.

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Inter-American Affairs: C.A., Canada Reject Helms-Burton

PA1605231196 Madrid EFE in Spanish 1940 GMT 16 May 96

[FBIS Translated Text] Ottawa (Canada), 16 May (EFE) — The Central American and Canadian governments criticized today, Thursday, the U.S. Helms-Burton law, which plans to restrict international trade with Cuba.

"We have discussed the law and have concluded that we must make sure that no country is allowed to promulgate extraterritorial laws that will hurt the sovereignty of other countries," said Canadian Prime Minister Jean Chretien after meeting with the presidents of the six Central American countries on an official visit to Canada.

According to official Central American sources, the lack of consensus on the issue among the Central American leaders has probably prevented a more forcible rejection.

The joint Canadian and Central American stance on the matter will probably be made more clear in the joint communique, which is expected to be released today.

The Central American presidents who are visiting Canada include Jose Maria Figueres from Costa Rica, Armando Calderon from El Salvador, Alvaro Arzu from Guatemala, Carlos Roberto Reina from Honduras, Violeta Chamorro from Nicaragua, and Belizean Prime Minister Manuel Esquivel.

Chamorro, whose country temporarily holds the secretariat of the group, has said about the Helms-Burton law that "the laws of the countries must be respected. Gradually and as we can, we either abide by them or not. Each one of us is independent."

The governments of Canada and of the six Central American countries have asked Cuba to adopt a democratic system.

"We also would like Cuba to join the club of democratic nations and to take measures to protect human rights just as the Central American countries have done," Chretien said.

Canada and Central America have reiterated their commitment to the economic integration of the entire American continent.

Chretien expressed his confidence that Chile will reach its objective of integrating into NAFTA, which includes Canada, the United States, and Mexico, after the U.S. elections are held, despite the obstacles the country encountered in the United States. This will serve to realize the principle of economic unity throughout the entire continent.

Chamorro also expressed her confidence in the achievement of economic unity in the entire American continent, although she did not deny the difficulties surrounding the project.

"It is the desire of all of us, although obstacles will always exist down the road, but we should never lose hope. We will reach the year 2000 or 2005, which is the expected date for the Free Trade Area of the Americas. What really matters is to achieve unity among all Latin Americans in North and South America," the Nicaraguan president said.

Both Chretien and Chamorro declined to answer the reporters' questions with regard to the possibility that a free migration of the labor force from Latin American countries toward North America could possibly be incorporated into an eventual agreement on economic unity of the entire continent.

On behalf of the six countries, Chamorro publicly thanked Canada for the country's efforts made over the past few years to maintain peace in the Central American region.

Inter-American Affairs: Non-Tariff Barriers Slow Mercosur

PY1505221496 Sao Paulo GAZETA MERCANTIL in Portuguese 13 May 96 p A4

[Report by Livia Ferrari]

[FBIS Translated Text] Despite its significant commercial exchange in 1995 — approximately $13 billion — the Common Market of the South (Mercosur) still has major non-tariff barriers affecting the circulation of merchandise. This situation has been confirmed by representatives of the Mercosur Chambers of Commerce who met on 10 May at the National Confederation of Commerce (CNC) headquarters in Rio de Janeiro.

Jorge Luis Di Fiori, president of the Argentine Chamber of Commerce, complained about customs procedures in his country, which "have rejected the certificates of origin issued by Brazil." Even though this practice is not provided for in the protocol signed by Mercosur countries, Argentine customs officials demand the certificate of origin plus a document with a full description of the product. "It is a legalistic requirement that hinders the entry of merchandise into our country," he said.

Di Fiori also complained about a Brazilian demand — which was later adopted by Argentina — to issue certificates of origin for all interregional trade products. In his opinion, the certificate should be requested only for the products of the list of exceptions to the Common External Tariff (TEC).

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The representatives of the Mercosur Chambers of Commerce also demand harmonization of the tariff policy applying to marketed goods. They contend that contrary to Argentina, Brazil resorts to double taxation in case of goods originating with third countries. This means that a European product entering Brazil through Argentina will have to pay the TEC twice (when entering Argentina and when entering Brazil).

The model adopted by Argentina, returning the added-value tax collected on the products sold to Mercosur tourists, was also mentioned as an example that should be followed by the other regional partners. According to Di Fiori, Argentina collects a single value-added tax of 21 percent, and its return practically accounts for a reduction of the final price of products, thus promoting sales.

One of the main concerns of Alfonso Varela Fernandez, chairman of the Uruguayan Chamber of Commerce, deals with the "growth of unregistered economic activities in Uruguay." By estimates of the Uruguayan Chamber, the activities of this sector account for $2 billion annually, which is equivalent to total Uruguayan exports. Varela, however, could not estimate the impact of this informal sector on the commercial transactions within Mercosur.

Inter-American Affairs: Guarantors Define Procedures

PY1705013896 Quito Voz de Los Andes in Spanish 2300 GMT 16 May 96

[FBIS Translated Text] We have information from Brasilia. Top officials from Argentina, Brazil, Chile, and the United States — which are the guarantor countries of the peace process between Ecuador and Peru — today defined the procedures for the third meeting between Ecuadoran Foreign Minister Galo Leoro and his Peruvian counterpart Francisco Tudela to be held in Buenos Aires.

Luiz Castro, chief of the Americas Department of the Brazilian Foreign Ministry said, at the conclusion of the two-day meeting, the officials made a detailed evaluation of the peace process.

Castro said they were satisfied with the progress made in the last two ministerial meetings in Lima and Quito last January and February, respectively.

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Cuba

Cuba: Castro Speaks at Parks, Recreation Ceremony

PA1705030496 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 16 May 96

[From the "NTV" newscast]

[FBIS Translated Text] Commander in Chief Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba and president of the Councils of State and Ministers, was the primary speaker at the ceremony marking the 15th anniversary of the National Parks and Recreation Program. The ceremony was held at the Dos Hermanas camp in Vinales Municipality, Pinar del Rio, the province were the program was first instituted.

Dos Hermanas is located in a beautiful valley near the world-famous prehistoric mural. Dos Hermanas had been closed for the last eight years. The renovation project conducted at Dos Hermanas, in order to hold this ceremony, makes it one of the most attractive of the 11 camps operating in the province. The main recreational activities at the camp are swimming, horseback riding, the game room, television, 54 comfy cabanas and the opportunity to come and commune with nature.

At the ceremony, the three best provinces in the Parks and Recreation National Emulation Program were announced: Pinar del Rio, Camaguey, and Sancti Spiritus.

The closing address was given by Commander in Chief Fidel Castro Ruz:

[Begin Castro recording] Someone mentioned, and I was thinking about it on the way here, that today there is much talk about ecotourism — the latest rage. Eco-tourism is the latest rage in tourism, but then, what are all these parks and recreation camps if not eco-tourism camps? We were the first country in the world to truly establish eco-tourism, and on large scale. There are countries nowadays that cannot stand hearing about any more construction and many tourists want to get away from cities and skyscrapers for their vacations.

Today, these people prefer another type of architecture, structures closer to the environment, the sea. Therefore, it is important for the growing world population seeking this option, to know that Cuba was the first country to truly develop eco-tourism in a large scale. Thus, the prospect for the future is better. This, which was Cuba's discovery 15 years ago, is today a dream many countries harbor to attract foreign tourists.

We, of course, had the good fortune that eco-tourism was developed by the Revolution. We have protected the sea, sand, and coastline. You do not find here what happened in most places, where structures were erected on the beach, destroying the environment. Every international tourism resort in Cuba has to follow a master plan and a series of regulations to protect, above all, the environment. This is going to turn Cuba's international tourism sector into one of the world's most attractive options. [end recording]

This year, the Parks and Recreation Enterprise expects to host 850,000 people nationwide. The enterprise has taken steps to meet this challenge. Between 1991 and today, despite the difficulties of the special period, more than 1,100 cabanas were constructed. Of this, almost 1,000 are already operational for the 1996 season.

Cuba: Raul Castro Praises Matanzas for Meeting MTT Pledge

PA1705032996 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 16 May 96

[From the "NTV" newscast]

[FBIS Translated Text] Army General Raul Castro, second secretary of the Central Committee of the Communist Party of Cuba and minister of the Revolutionary Armed Forces, has sent a letter of congratulations to the people of Matanzas Province for having reached their goal in the drive to financially support the Territorial Troops Militia [MTT].

In his letter, Raul acknowledges receipt of a check for an amount of over 1.805 million pesos, higher than projected. This figure was reached by the people of Matanzas in salute to the 35th Anniversary of Playa Giron.

Matanzas was the first province in the country to fulfill this patriotic effort.

Cuba: Prices, Rates Inspectors' Movement Holds Meeting

PA1705032896 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 16 May 96

[From the "NTV" newscast]

[FBIS Translated Text] Currently, 8,600 people make up the People's Inspectors of Prices and Rate Movement [Movimiento de Inspectores Populares de Precios y Tarifas].

The people's inspectors, working as volunteers, guarantee that people are charged and receive goods in accordance with established guidelines, at the state's commercial facilities.

[Begin recording] [Reporter Maribel Puerto] Today, the 25 most outstanding People's Inspectors of Prices and

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Rates in Cuba met with Finance and Prices Minister Manuel Millares. The meeting served as an occasion to exchange work experiences from each province.

[Millares] The People's Inspectors are sometimes misunderstood, even by the population, who benefit from their work. They do not understand the key role these people play. Outside of their normal working hours and in addition to their normal tasks, they try to ensure that the population is not charged incorrect prices, that is, prices that do not correspond because of product deficiencies, or quality, or weight. They do this on a totally voluntary basis.

[Puerto] During this meeting between Manuel Millares and the inspectors, it was reported that a whole new system is being organized to guarantee that the People's Councils, the National Revolutionary Police, and the Committees for the Defense of the Revolution will support the inspectors. For many years, this is how it was done in many provinces and, as of now, other provinces will have to do this as well. [end recording]

Cuba: Telecommunications Meeting on Telephone Service

PA1705042596 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 15 May 96

[From the "NTV" newscast]

[FBIS Translated Text] The current and future status of the Cuban telephone system, a year after the creation of the Cuban Telecommunications Enterprise [Etecsa], was discussed today in a meeting in the presence of this sector's minister, Brigadier General Silvano Colas.

An analysis of the critical status of the telephone system in 1994 was the point of departure for the meeting. Etecsa's Executive Director Rafael Marrero explained that with the creation of Etecsa the restoration of the networks and the gradual modernization of the central offices got under way.

The report adds that 1995 was the take-off year, and two digital central offices were inaugurated in Havana, one in Santiago de Cuba, one in Matanzas, and another one is near completion in Havana.

Marrero stated that all the central offices with old technology will be gradually renovated with digital equipment. Right now, Etecsa is trying to fulfill old requests for customer number transfers, and there are plans to begin providing telephone service to new customers in about three years.

Regarding public telephones, in the sector in the worst condition, measures are being taken to improve the service, and new phones are already being tested in certain areas.

Cuba: Journalist Explains Causes of Prostitution in Cuba

PA1605192096

[FBIS Report] Havana Radio Rebelde Network at 1600 GMT on 7 May carries its regularly scheduled 15-minute "Straight Talk" program with host Osvaldo Rodriguez and journalist Rosa Miriam Elizalde of the JUVENTUD REBELDE newspaper as his guest. The topic of the program is "Why is prostitution resurging in Cuba?" and in answering that question, Elizalde begins noting that back in 1959 there were 100,000 prostitutes and credits the "almost total disappearance" of this activity since that time to "the degree of rejection among of the people." Now, however, she adds: "there is some tacit tolerance," although "deep down" this is not the future Cubans envision for their children. Commenting further on the tolerance by family members and the community to this activity, Elizalde notes: "There is even a tendency to regard these individuals, female and male prostitutes as successful women and men, as heroes... (pauses) in sum, as fighters. We must understand clearly that this phenomenon debases human beings, undermines their personal dignity, and is totally unacceptable for an honest and decent person."

Discussing the causes of the comeback of prostitution, Elizalde and Rodriguez agree the country's situation has changed since 1959 and that times of economic crisis, social conflict or tension have always led to an increase in the number of prostitutes. "Although this stems from other fundamental causes," Elizalde remarks, "what triggers the numbers upward is the economic crisis, the fact that some people resent the crisis, the economic problems that account for the fact that the living standards of the 1980's dropped substantially in the 1990's." She lists "problems of education, ethical culture, and decency" as other factors that come into play. Making a comparison between what happens when there is an economic crisis in the "other countries of the hemisphere and the world" and Cuba, she asserts "we have not had extreme poverty in Cuba," therefore, "people do not engage in this activity to get food or to meet their basic needs to survive but to obtain products that they cannot find in the market."

Further on why people do this, she notes: "One thing about prostitution for women and even for men is that it is easy to practice." When Rodriguez asks if she is referring to men also, Elizalde replies: "Of course, this market is not solely for women. There are many men working as prostitutes, and within this context, a dangerous figure, much more dangerous that the

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prostitute, has emerged. I mean the pimp." This is someone who "can be a common elevator man, taxi driver, private sector driver, or someone who rents his house knowing that it will be used for prostitution, to a profiteer who controls two or three women."

Rodriguez notes this is something dangerous because it reveals the presence of an organization. "To begin with, prostitution is not forbidden in Cuba," he says, "at least, the penal code does not punish it." But, he adds, other offenses such as drug abuse, theft, and more serious ones such as the corruption of minors become associated with this practice, and "when this sort of organization arises we are facing something dangerous." "I do not think there is a strong structured organization at the level of a society although the embryo of it exists." She goes on to note that "if an individual decides to sell his or her body without an intermediary that is his or her problem, and in essence, this never ceased to exist in Cuba. The phenomenon gets complex and dangerous is when it becomes organized."

Rodriguez asks, "Are you referring to small groups? And Elizalde says "I mean that we all know that intermediaries exist, that often the employees of a hotel are bribed to have access to it, people control, say, brothels, all the elements that constitute the ideal breeding ground for organized crime, drugs, so many other offenses that are indeed a danger and undermine society."

Rodriguez goes back to a comment she made earlier that the family and community tolerated this activity and asks, "Is this widespread or does it just happen in specific sectors or specific families even?" Elizalde reiterates Cubans reject this activity. "No decent person envisions a future of prostitution for his children. Another terrible element of this activity is that the person who gets started in it can never be the same again. It is very difficult. This is something where people leave behind all of their ethical considerations. That becomes essential in order to understand why everybody must become interested in this matter, why everybody must help to prevent this from becoming the future of our country. Cuban cannot return to being the capital, the [word indistinct] of the Caribbean [words indistinct], and that is the responsibility of all of us," she concluded.

Dominican Republic

Dominican Republic: Call for Respect of Election Results

PA1305205396 Madrid EFE in Spanish 2309 GMT 12 May 96

[FBIS Translated Text] Santo Domingo, 12 May (EFE) — Dominican President Joaquin Balaguer called on citizens today to respect the results of the 16 May elections given by the Central Electoral Board "no matter what the results are."

Balaguer, 89-years old and blind, addressed thousands of his followers during a rally marking the end of the governing Social Christian Reformist Party's [PRSC] campaign looking forward to Thursday's elections.

"The worse thing that could happen in this country would be to interrupt, or let intruding hands interrupt, the democratic process that was started over 30 years ago," Balaguer affirmed.

Addressing a crowd which included PRSC presidential candidate Jacinto Peynado, Balaguer warned OAS and other international organizations observers in the Dominican Republic, that Dominicans are not racist.

"Contrary to what has been said abroad, Dominicans are not racists. We are not racist because 69 percent of our population is made up of men and women that are black, or mestizo, and only a small segment of our population is truly white," Balaguer said.

At the beginning of his speech, the octogenarian president warned that the "little paper" that each Dominican citizen will deposit in the urns on 16 May holds the immediate future of the Dominican Republic.

That is why Balaguer believes that the vote to be cast for one of the country's leaders should be well thought out.

Balaguer knows his words are worthy of credibility, because he is not running for, and the Constitution does not allow him to run for, any government position, and because "it is obvious" that he is in the final stage of his life.

This is the first time since 1966 that President Balaguer is not a candidate for his party.

The PRSC leader advised his followers to vote for the candidate with greatest mental and emotional stability, and that is "unquestionably a Dominican citizen."

Although Balaguer did not mention Dominican Revolutionary Party (PRD) candidate Jose Francisco Pena Gomez, it is this candidate which his adversaries describe as unstable and allegedly of Haitian origin.

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Moreover, PRSC presidential candidate Jacinto Peynado stated that these elections which are being "untimely" held are the result of pressure and a conspiracy against the nation and President Balaguer by some foreign sectors.

The candidate, who according to some of the polls is in third place according to voters' preference, hopes that the mentors and proponents of the reduction of the presidential term "will not have to regret their actions."

Like Balaguer, Peynado called on Dominicans to "think about national sovereignty" on election day, because "Dominican citizenship is not for sale."

The PRSC political rally is the second one held by the three political candidates running for the presidency of the Dominican Republic on 16 May.

Besides Peynado, Leonel Fernandez of the Dominican Liberation Party, and Jose Francisco Pena of the PRD, are running for president.

The elections were advanced two years following the signing of the Agreement for Democracy between opposition and government to find a solution to the 1994 post electoral crisis resulting from charges of fraud against Pena Gomez, and which also prohibits presidential reelection.

Dominican Republic: JCE Vows To Hold Free Elections

PA1505221496 Havana PRENSA LATINA in Spanish 1906 GMT 15 May 96

[FBIS Translated Text] Santo Domingo, 15 May (PL) — Promises from the Presidency of the Central Electoral Board (JCE) and complaints of searches conducted in the homes of leaders of the Dominican Revolutionary Party (PRD) stand out today, less than 24 hours from the beginning of the Dominican elections.

Today, JCE President Cesar Estrella Sadhala said that tomorrow's presidential elections will be unblemished, transparent, free, and democratic.

Estrella noted that international observers, including OAS Secretary Cesar Gaviria, will be able to corroborate his remarks.

These remarks, however, contrast sharply with complaints filed over the past 48 hours on more than 20 searches conducted by police in homes of PRD members and supporters who live in southwestern Dominican Republic.

PRD Secretary General Hatuey Decamps said today that these actions are intended to scare PRD members who tomorrow will vote for presidential candidate Francisco Pena Gomez, who has been in the lead in opinion polls. "They want to irk our supporters, but no power can scare the people," Decamps pointed out.

His statements are allegedly aimed at the ruling Social Christian Reformist Party (PRSC), downgraded to third place in the polls by the PRD and the Dominican Liberation Party (PLD), led by presidential hopeful Leonel Fernandez.

Jacinto Peynado will represent the PRSC at the polls. Peynado is the disciple of current President Joaquin Balaguer, who is deaf and nearly 90. President Balaguer might be able to govern indirectly if his party's candidate wins.

The actions of the policemen was reported to the JCE president, who affirmed that all the necessary measures would be adopted to preclude irregularities, including using the Electoral Police, to guarantee order during the elections.

The observers, who apparently prefer to ignore certain practices typical of Dominican politics — the practices described above, among others — limit themselves to praising the elections' organization.

The OAS delegation led by Gaviria, as well as the Carter Center delegation, led by Belisario Betancourt, also a former Colombian president, highlighted the tranquillity prevailing on the day before the elections and voiced respect and confidence in the JCE.

Dominican Republic: PRD Leader, 7 Killed Prior to Election

PA1605131796 Madrid EFE in Spanish 2033 GMT 15 May 96

[FBIS Translated Text] Santo Domingo, 15 May (EFE) — With the shooting death of a leader belonging to the opposition Dominican Revolutionary Party (PRD) in a rural community, the number of dead over political disputes has risen to eight prior to the 16 May presidential and vice presidential elections.

Dr. Freddy Feliz, the doctor on duty at the state-run Jaime Mota Hospital in Barahona, has identified the dead man as being a 60-year-old farmer named Castulo Zaten Pena. He died today from shotgun wounds inflicted by an unidentified individual.

The police have announced the appointment of a commission of officers to investigate the facts that led to Zaten Pena's death in the village of Cabral, Barahona Province, in the island's southeast.

It was reported in Cabral that PRD followers organized a bonfire last night and were allegedly attacked by unidentified individuals. The attack left several people injured

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by stones in addition to a car and three motorcycles that were set on fire.

Up to now there have been eight dead, six belonging to the Santo Domingo Accord, a coalition of parties which is headed by the social democratic PRD and which has Jose Francisco Pena Gomez as its presidential president.

The Dominican Liberation Party, the candidate of which is Leonel Fernandez, has one dead among its followers. The ruling Social Christian Reformist Party, led by Jacinto Peynado, also had one follower killed.

Dominican Republic: Heavy Voter Turnout at Election

PA1605192796 Madrid EFE in Spanish 1451 GMT 16 May 96

[FBIS Translated Excerpt] Santo Domingo, 16 May (EFE) — A heavy voter turnout often hampered by minor yet numerous organizational problems at the polling stations and on the voters registration lists marked the start of the presidential election.

The election for president and vice president began at 0600 in the morning (1000 GMT) today when the electoral boards opened for the women's shift.

The system of closed electoral boards requires voters, divided in two shifts by sex, to register first and wait a while until they are called to vote.

Women registered from 0600 to 0830 and from that time onward will begin casting their ballots. Men will register from 1300 to 1530, and each board will close when all those registered have voted.

Delegates of the Dominican Revolutionary Party (PRD) and the Dominican Liberation Party (PLD) complained before the Central Electoral Board [JCE] today that many women were not included on the voters' registration lists during the first shift or are either listed as deceased or as members of the military or minors and, therefore, forbidden to vote.

PRD Delegate Emmanuel Esque Guerrero asked that voters be allowed to cast their ballots "under observation" ["observado"] (the ballot is embargoed until it is verified later) in cases such as these, but the JCE rejected the request.

In an inspection of the entire city of Santo Domingo, EFE was able to confirm the large number of women voters for the first shift and that voting was massive in certain neighborhoods, the poorest ones in particular.

At the start of the electoral process, however, the polling places were plagued by many organizational problems, namely, a lack of information from the board presidents—they were not informed of the details of the new system—and absent secretaries and delegates of the political parties.

In the more heavily populated areas, with many polling places for each electoral board, people are at a loss about the polling station in which each voter must cast his ballot.

In one of Santo Domingo's neighborhoods, Los Mina, Air Force soldiers prevented reporters from getting close to the electoral boards.

The soldiers expelled EL LISTIN DIARIO, Power Radio 103, and EFE NEWS AGENCY reporters from the area around the electoral board with the excuse that they had no orders to let them in.

In other neighborhoods of the capital, particularly in those whose residents have some education and a degree of wealth, the process went rapidly and smoothly. [passage omitted]

Last night, JCE President Cesar Estrella Sadhala said his organization has done "everything within its power" to have clean elections, asked people and political parties to be patient with the new system, and said the results will be made known on 17 May.

Dominican Republic: Delegate of PRD Shot to Death

PA1605190396 Madrid EFE in Spanish 1740 GMT 16 May 96

[FBIS Translated Text] Santo Domingo, 16 May (EFE) — A delegate of the Dominican Revolutionary Party (PRD) has been shot to death at Barahona's No. 2 "Batey" (sugarcane field) in an incident about which there is no additional information.

PRD Secretary General Hatuey Decamps has told EFE this is the only incident that has been reported during the first half of today's election day in the Dominican Republic.

Juan Bautista Polo was the name of the dead delegate, according to Decamps, who has expressed regret over the incident but has said the elections "are going along well."

Dominican Republic: OAS Says Elections 'Quite Orderly'

PA1605185396 Madrid EFE in Spanish 1815 GMT 16 May 96

[FBIS Translated Text] Santo Domingo, 16 May (EFE) — OAS Secretary General Cesar Gaviria, an observer of the Dominican presidential elections, said today "the process is quite orderly and efficient."

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Gaviria, in statements to the local NTV Television Network, praised the behavior of the people from the Dominican Republic and voters' patience.

If it continues in this way, according to Gaviria, "the process will conclude very satisfactorily." Gaviria said protests and complaints "have been surprisingly few."

Dominican Republic: 'Massive' Voter Turnout Reported

PA1705033096 Paris AFP in Spanish 2339 GMT 16 May 96

[FBIS Translated Text] Santo Domingo, 16 May (AFP) — Dominican elections concluded on Thursday at 1800 (2200 GMT) with a "massive" and satisfactory voter turnout, according to electoral authorities and observers.

Some 3.7 million voters were registered for these elections, and international observers have estimated voter absenteeism at between 10 and 20 percent, compared to the usual 20 to 40 percent margin.

Social democrat Jose Francisco Pena Gomez, centrist Leonel Fernandez, and conservative and current Vice President Jacinto Peynado were vying in these elections to replace octogenarian President Joaquin Balaguer.

If none of the three candidates takes 50 percent of the valid votes, runoff elections would be slated for 30 June.

During a preliminary report, the Dominican Citizens Network of Observers stated that the electoral process was marked by "a lofty civic spirit" and noted that a few reported problems "are not significant enough to doubt the legitimacy" of the elections.

In addition, Central Election Board President Cesar Estrella Sadhala has expressed his satisfaction at Thursday's registration and voting process and announced the start of the vote count, urging people to ignore unofficial results.

"The information will be reported clearly and honestly to avoid any misinformation," Estrella said.

Election board results are not expected before midnight. Even though the political parties will conduct their own tallying, they have promised not to reveal their results until the official vote count results are announced.

On the almost simultaneous development of the registration and voting process, the Citizens Network of Observers, which had 1,140 registered observers, has released a preliminary report based on 517 sample voting stations (out of a total of 9,946 stations). Some of these stations have reported minor incidents.

The reported incidents have included the closing of the registration process while people were still in line waiting to be registered, the registration of voters after closing time, voters not included in electoral registers, and incidents in which people were not allowed to vote because they were listed as disqualified voters, mainly because they were listed as deceased.

The group of observers has regretted the problems that mostly stemmed from human error and not from a systematic or deliberate intention to take advantage of the situation.

Dominican Republic: Pena Gomez Leads in Partial Vote Count

PA1705045596 Madrid EFE in Spanish 0419 GMT 17 May 96

[FBIS Translated Text] Santo Domingo, 17 May (EFE) — After counting the votes from 12.36 percent of the electoral boards, presidential candidate Jose Francisco Pena Gomez has a 12.25-percent advantage over his closest election rival, Leonel Fernandez, also of the opposition.

The Dominicans voted in Thursday's presidential elections, which were moved up two years because of charges of fraud in the 1994 elections.

According to the second bulletin issued today by the Dominican Central Electoral Board, Pena Gomez, of the Dominican Revolutionary Party [PRD], has obtained 46.08 percent of the votes and his closest rival, Leonel Fernandez, of the Dominican Liberation Party [PLD] has 33.83 percent.

The candidate from the government party, the Social Christian Reformist Party, has 19.98 percent of the votes.

The country's elderly president, Joaquin Balaguer, 88, was banned from running in these presidential elections.

If none of the candidates obtains 50 percent, plus one, of the votes, the two with the most votes must go for a second electoral round scheduled for 30 June.

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Mexico: Labor Meeting Held With U.S., Canadian Officials

PA1605195896 Mexico City XEW Television Network in Spanish 0300 GMT 16 May 96

[Report by Jose Miranda from the "24 Hours" newscast]

[FBIS Translated Text] The Mexican and U.S. labor secretaries and the Canadian labor minister have met in Mexico City. The third meeting by the Ministerial Council of the Commission for Labor Cooperation took place on 15 May.

For four hours, Mexican Labor Secretary Javier Bonilla, U.S. Labor Secretary Robert B. Reich, and Canadian Labor Minister Alfonso Gagliano evaluated the progress made by this agreement complementing NAFTA and the significance of promoting an effective enforcement of labor laws in the three countries.

A joint communique explained that the number of partial and temporary jobs and the number of self-employed people are increasing throughout North America. Salaries in the three countries that make up NAFTA dropped in 1995 compared to 1984, because salaries increased in this period at a rate below the inflation rate of the three economies.

Another significant issue discussed was that the foreign trade of Mexico and Canada was done mostly with the U.S. market in 1994, when NAFTA came into effect. Eighty-five percent of Mexican exports and 89 percent of Mexican imports were sent to or came from the United States; that same year, 75 percent of Canadian exports were sent to the United States, and 60 percent of Canadian imports came from that country. By contrast, only 30 percent of U.S. exports were sold to Canada and Mexico, and only 28 percent of its imports came from its two NAFTA partners.

No agreements on migrant workers were made public during the meeting held by the labor secretaries of the three countries. The fourth meeting by the Commission for Labor Cooperation will be held in the United States in 1997.

Mexico: Survey on Pemex Privatization

96CA0163A Mexico City REFORMA in Spanish 19 Mar 96 pp 1A, 37A

[FBIS Translated Text]**Pemex Privatization Opposed**

A poll conducted among 400 residents of the Federal District (DF) and 400 residents of Monterrey reveals that most oppose privatization of Pemex.

Would you be for or against Pemex being run as a private company?

City	For	Against	Not Sure
DF	20	73	7
Monterrey	43	46	11

Do you think that the petrochemical industry would be more efficient if it were privatized?

City	Yes	No	Not Sure
DF	53	37	10
Monterrey	58	31	11

How much do you feel Pemex is doing to keep its gasolines and other products from harming the environment?

City	Little	Nothing	A Great Deal	Not Sure
DF	66	20	12	2
Monterrey	57	16	21	6

Fifty-eight Years After Oil Was Expropriated

The debate on privatization intensifies.

Most (70 percent) of the people polled by REFORMA feel that Pemex is a strategic enterprise for national sovereignty; 27 percent think that it is not very strategic; two percent think that it is not at all strategic; and one percent are not sure. Yet, many (53 percent) believe that the petrochemical industry would be more efficient if it were privatized, with 37 percent disagreeing, and 10 percent not sure.

Why are you for privatization? (21 percent in all)

Response	Percent
To improve its management	41
There would be competition	33
Product quality would improve	7
Government corruption would stop	7
Other reasons	12

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Why are you against privatization? (71 percent in all)

Response	Percent
The oil belongs to the nation	56
Prices would rise	12
Countries like the United States would control us	8
The government runs it well	7
Other reasons	17

Pemex and the Environment

Most people think that Pemex has not made headway on environmental matters. Moreover, 62 percent feel that it has made little effort to prevent oil wells and refineries from harming the environment; 28 percent feel that it has done nothing; eight percent think that it has done a lot; and two percent are not sure.

Mexico: Fearful Government, Angry Citizenry Seen

96CA0164A Mexico City REFORMA in Spanish 3 May 96 p 1

[Commentary by Miguel Granados Chapa, journalist and citizen counselor on the General Council of the Federal Electoral Institute: "Fear and Anger" — received via Internet]

[FBIS Translated Text] The government is afraid, and the people are angry. These emotions made their appearance yesterday on the public scene, as the celebration of May Day synthesized, as if it were theater, the qualities and behavior of the rulers and the ruled alike. I realize that assertions such as my opening one require qualification and explanation, among other reasons because the two social and political concepts to which it refers, government and people, are not homogeneous, the latter in particular. Consequently, what can be said about one or more parts of a heterogeneous whole cannot be said about the whole. Nevertheless, the assertion does illustratively summarize complicated, wide-ranging phenomena.

The government demonstrated its fear of social reactions in these extremely difficult hours in several ways. The most obvious was when it called off the government march for the second straight time. At another time of acute social tensions, Labor Day of 1984, when the protracted crisis brought on by neoliberalism was first wreaking havoc, the violence reached as far as the National Palace. The government wanted to avoid a repeat of this situation, inasmuch as society is even more impoverished and irascible this time around.

The security measures taken to protect the president, both in the Zocalo and at the headquarters of the Labor Congress, became obvious on Tuesday evening and Wednesday morning. Many of the "workers" who "spontaneously" showed up to listen to the speeches by the leaders of the Labor Congress and by President Zedillo himself had almost shaven heads and an unmistakably military look and air about them.

Sharpshooters were stationed on the rooftops of buildings near the Labor Congress, and there were metal fences in the streets, besides tight surveillance to prevent or control access to the area where the president of the republic was to be.

Extremely tight security measures around the chief of state are not to be condemned, of course. It would be gravely irresponsible to ignore the threats that always hang over a country's political leaders. It is deplorable that the stormy times in which we live necessitate such extreme precautions to safeguard the president of the republic. However, to isolate him altogether from the people is excessive. A deadly example of such excess is the police barricade that on 10 April killed a person while barring the passage of Tepoztecans who were on a Zapatist pilgrimage, not on their way to disrupt the president's tour.

Perhaps its fear stems from the perception that more and more segments of society are angry. The stubbornly pursued and defended economic policy is like a sharp scythe that is destroying people's futures and instilling despair in their hearts. Its most widespread effect is apathy, indifference. But it also causes irritation. And with good reason, inasmuch as the crisis is easing only according to official statistics. The buying power of wages, the best gauge of an economy's condition, is declining steadily. People are buying less and less, especially in the extremely wide stratum of families who are living on the equivalent of twice the minimum wage. And the upward pressures are constant: the increase in the price of fuel, both the regular, nationwide hike and the specific one in the valley of Mexico, which is aimed at private consumption, will have a ripple effect on other prices.

The government's forecasts are colliding with harsh reality. The plans to rescue the banks from their insolvent debtors are failing one after another. Linking debts to inflation (the conversion of pesos into Udis [Investment Units]) has been awful. The restructuring stemming from Ade [Agreement on Immediate Support for Debtors], an accord to help debtors that actually

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helps creditors, has left bank customers deeper in debt for a longer time and thus had to be extended.

Since the citizens lack the perspicacity and information that the authorities have, they cannot share the latter's restrained optimism. Therefore, they remain angry, focusing their wrath on the government in general and the president in particular. This is understandable. For decades the political system has given the credit for economic growth exclusively to the president, to whose wisdom and sensitivity successes and miracles have been attributed. The lesson was well learned. People were taught that the president had wonderful tools available to create happiness in society. So why not blame him when he creates unhappiness?

The president's stubbornness is an additional reason for the anger that was noisily expressed during the dissident workers' march the day before yesterday. Although he has said that he is willing to listen to alternative proposals to his own economic policy, the chief executive listens only to himself. Instead of taking the approach that professionals in other disciplines do in dealing with sensitive issues (as when engineers erect a structure or when physicians perform surgery), which is to ask qualified colleagues for their opinions in order to corroborate or revise their own, the president acts alone or sees the merits of his own view in the mirror held up by the members of his staff, who constitute a docile army of yes-men.

If the president truly appreciated the intelligence of others, he would call on them to ponder what paths he ought to take. I am not even saying that he should open up to the opposition, whose opinions ought to be heeded at all times, merely that he should take into account the economic thinking, at variance with his own, that abounds in PRI [Institutional Revolutionary Party] and the government but has been developed in different theoretical and ideological currents.

Locking himself up in his castle, safe from the onslaught of outside reasoning, is the worst form of fear.

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El Salvador

El Salvador: Guerrillas Acquitted in U.S. Helicopter Case

PA1605193796 Mexico City NOTIMEX in Spanish 1618 GMT 16 May 96

[FBIS Translated Text] San Salvador, 16 May (NOTIMEX) — The local media reported today that three Salvadoran guerrillas who had been accused of downing a U.S. helicopter in January 1991 and killing two crew members were acquitted. Sources from the Penal Court of the Supreme Court of Justice told LA PRENSA GRAFICA that the ruling was issued in August 1995 but that it had not been made public. This is why a writ of appeal the Prosecutor General's Office had filed has been shelved.

The U.S. military officers came from Palmerola Military Base, located in Honduras, and were flying a helicopter over a zone where the Army and guerrillas used to clash when rebels opened fired on them. David Pickett and Ernest Gean Dawson were the victims. According to court files, the latter was alive and was requesting help when presumed guerrillas from the Farabundo Marti National Liberation Front (FMLN) killed him.

According to the daily's report, those involved in the case were members of the People's Revolutionary Army (ERP), which is now called the People's Revitalizing Expression. Following the 1994 election, this group founded the Democratic Party, thus splitting from the FMLN.

The accused, Santos Guevara Portillo, Siberiano Fuentes, and German Hernandez, were being prosecuted for committing the crime of aggravated murder [homicidio agravado] against the U.S. soldiers. The ERP handed the accused over to the judicial branch, and they remained in prison, but a year later, they availed themselves of an amnesty that pardoned those who had committed crimes during the Central American country's armed conflict.

The plaintiff and the Prosecutor General's Office filed writs of appeal, however, and requested a trial against those responsible for the murders, charging them according to the Vienna and Geneva Conventions and arguing that the U.S. military officers had diplomatic immunity.

LA PRENSA GRAFICA also reported that in the meantime, the defending side argued that the helicopter was flying over a conflict-ridden zone and that the deaths of the U.S. soldiers were the result of a civil war El Salvador waged from 1980 to 1992.

El Salvador: Charges Dismissed in U.S. Helicopter Case

PA1605212996 San Salvador LA PRENSA GRAFICA in Spanish 16 May 96 p 5a

[FBIS Translated Text] The charges were dismissed against three former guerrillas of the Peoples Revolutionary Army (ERP), one of the five groups making up the FMLN [Farabundo Marti National Liberation Front], for downing a U.S. helicopter and killing its two crewmen, the Supreme Court of Justice's Penal Chamber disclosed yesterday.

The magistrates' ruling is part of a decision that was made last August but had not been disclosed. The decision puts an end to the appeals against the release of the former guerrillas made by the Office of the Prosecutor General of the Republic and the relatives of the U.S. servicemen.

The U.S. servicemen, who were coming from the Palmerola Base in Honduras, were flying a helicopter over the line of fire between the Army and the FMLN when they were downed by rifle fire from a guerrilla column. The victims were David Henry Picket and Earnest Gean Dawson Jr. [names as published]. According to the case, the latter was alive and requested assistance, but the guerrillas executed him.

The incident took place on 1 January 1991 in El Recodo Canton, Lolotique Jurisdiction, San Miguel Department.

The rebels charged with the crime belonged to the ERP, which is now called the Peoples Revitalizing Expression. They later withdrew from the FMLN and founded the Democratic Party.

The accused are Santos Guevara Portillo, also known as "Dominguez"; Seberiano Fuentes, also known as "Aparicio"; and Ferman Hernandez Arevalo, also known as "Porfirio." The latter, according to the proceedings shot Dawson on orders from the first two.

All of them were tried for aggravated homicide. The ERP handed over two of the accused and they went to prison. One year later, however, they benefited from the amnesty granted to those who had committed crimes during the conflict.

The Office of the Prosecutor General and the relatives's lawyers, however, filed an appeal against the release of the former fighters, which was ordered by the Chinameca lower court.

They filed a similar appeal to the Penal Chamber of the Eastern Area's First Section (San Miguel), which confirmed the dismissal. Afterward, they filed an appeal before the Supreme Court of Justice's Penal Chamber,

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whose ruling was similar to the ones by the previous courts.

The accusers of the former fighters were requesting the enforcement of the Vienna and Geneva Conventions, arguing that the U.S. soldiers had diplomatic immunity.

The defense, in turn, argued that the helicopter was flying over a conflict zone, and the crewmen's deaths were the result of the situation that existed at that time.

The magistrates' decision considered the Vienna and Geneva Conventions but granted the accused the benefit of the amnesty.

Guatemala

Guatemala: URNG To Negotiate Frequency for Radio

PA1605215396 Guatemala City PRENSA LIBRE in Spanish 12 May 96 p 6

[Report by Edgar Leonel Arana Paredes]

[FBIS Translated Text] The Guatemalan National Revolutionary Unity, URNG, has included the negotiations for a radio frequency for its People's Voice Radio [Radio Voz Popular] in the peace process. This radio station has been the medium the rebels have used to spread its revolutionary message among the Guatemalan people.

Commander Pablo Monsanto told PRENSA LIBRE: *We need a medium; what will it be? This is part of the negotiations that will be held when the time comes.* Interviewed in Mexico on the occasion of the signing of the socioeconomic and agrarian agreement, Monsanto refused to give details of the negotiation; as did Commander Rolando Moran, who, in referring to the issue, pointed out that contact with the people has been constant through leaflets and over the radio.

We are not a neglected sector, because we are part of a military and political movement, and as such, we have to maintain constant relations with the people, Moran added. When directly questioned as to whether the radio station legalization would be included in the negotiations, he smiled, looked at us, and affirmed the following: *No... in other words... I believe we are prematurely dealing with this issue... we have other issues to discuss, but we will address this issue when the time comes.*

However, the commanders' aides, who accompany them to the negotiations and signing of agreements and who draft their agendas, said that People's Voice Radio is the rebels' most important medium.

Issues To Be Discussed

Following is a list of the issues that will be discussed in the next phase: the Army's role in civilian society and the fighters' return to civilian life. The issue of the rebel radio station will be addressed in the second phase.

Commander Monsanto affirmed that *the people's movement, its fight, and its ideals must be known by the entire population now that the armed struggle has ended.*

The Revolutionary Armed Forces, FAR, leader was clear as he pointed out that the URNG will hold negotiations to have a mass medium. A newspaper requires a great deal of investments, has a very high cost, and is rather unprofitable in a country where 50 percent of the people are illiterate and where literate people live in large urban centers.

Radio has been and will be our best mass medium, Moran said during the interview, clarifying where the negotiations are heading. Radio is a mass medium that allows the clear broadcasting of messages in any language.

The URNG has the infrastructure necessary to broadcast and has assembled its radio station in the western mountains... why will it have to negotiate a medium if it already owns one?

Nicaragua

Nicaragua: DEA Asked To Establish Provisional Office

PA1605133896 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 15 May 96

[Report by Lidia Ruiz from the "National Newscast" — passages within quotation marks are recorded]

[FBIS Translated Text] Nicaragua wants the DEA to establish a permanent office in the country due to the increase in drug trafficking activities:

[Foreign Minister Ernesto Leal] "We have asked the DEA to open a provisional office in Nicaragua at the request of the Government Ministry. We are in contact with the Government Ministry to verify the possibility of having the DEA establish a permanent office, because, as you have noticed in the latest media reports, drug trafficking in our country has increased, or perhaps we have become more efficient in detecting them."

Managua's airport has recently become a target for drug traffickers. The famous mules have tried to transport cocaine and heroin to the United States. The most publicized case is the one of a man who has swallowed

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more than 60 small bags of heroin with the intention of carrying them to the United States:

[Army Inspector General Commander Franco Montealegre] "The police measures have allowed the location of drug traffickers to be revealed. In this case, they were discovered....[pauses] Had it not been for the police care and investigative work, this would not have been discovered. This action is part of what the police are doing."

Montealegre has said reforms to the Law on Drugs and Psychotropic Substances are being studied. The National Assembly approved the law recently:

[Montealegre] "I understand that the Government Ministry is trying to submit a bill to reform the drug law and to correct certain points within the law that are reportedly [words indistinct]."

Montealegre and other members of the police have met with members of the government commission to discuss the Police Law and make their own contributions.

Panama

Panama: Article Views Permanence of U.S. Bases

PA1705033596 Panama City LA PRENSA in Spanish 15 May 96 p 37A

[Article by Betty Branan Jaen: "Stagnated Discussions"]

[FBIS Translated Text] Washington, D.C. — The "exploratory discussions" between Panama and the United States on the permanence of certain U.S. bases in our isthmus will not start this month or next month because of a simple reason: Neither country has, as yet, defined its position, government sources from the two countries have reported.

U.S. Ambassador William Hughes said in a 13 May interview with LA PRENSA that the Clinton government, particularly, it seems, the civilian sector, is still analyzing if it is advisable to leave certain bases in Panama and, if so, under what conditions. Various Panamanian sources indicated that Panama has yet to finish proper consultations and analyses on the report on economic impact drafted by economists Fernandez and Galan Ponce.

Meanwhile, the Pentagon has taken a position that we have to carefully examine. Two issues caught my attention: First, Defense Secretary William Perry recently told THE TROPIC TIMES that "if the Panamanian Government and people ask us to stay, it is something we could discuss with them." This is added to the recent statements made by Jose Reeder, U.S. Army assistant secretary (and Panama Canal Commission Board of Directors president), that "we will never leave our troops where they are not welcomed." The Pentagon seems to be sending us a message that they want us to beg them to stay (by the way, this is a demand that has not been made in Okinawa, where Japanese citizens doing more than begging U.S. soldiers to please leave).

The message of Perry and Reeder for Panama is a message that contradicts the facts that had been presented to us. Recall that President Perez Balladares last year presented the position that he would discuss the permanence of the bases only if the United States asked him, and in September, a show was staged in Washington to guarantee, according to what we were told, that President Clinton would request exactly this of Perez Balladares, because the Panamanian president refused to be the one to make the request.

Then, if Clinton already took the initiative to invite Perez Balladares to the dance floor, why and by what right does Perry (a subordinate) have to insist that Panama has to be the one that must invite him? I see only two likely answers: Either the facts are not as we were told or the Pentagon has its own agenda on the base issue and this is why it refuses to let itself be manipulated by White House "choreographies." This second possibility would mean that, as has been the case many times throughout our history, there is a confrontation between the Pentagon and the White House on the policies on Panama. This would also explain why, at this stage, Clinton's officials are still fighting to define their positions on the bases. As on many other occasions, the policies on Panama remain stagnated, while the Pentagon and the White House fight over control of the negotiating vehicle.

One does not have to be in Washington to notice all this. One sees it disclosed in the antagonism — it is not a secret — between the U.S. Embassy in Panama and the U.S. Southern Command. The long absence of a U.S. ambassador worsened this dissension. A very high-ranking official from the Clinton government once said privately that the fact that there was no ambassador in Panama did not matter a great deal because Gen. McCaffrey largely fulfilled the ambassador's duties. "This is a very dangerous role mix-up for Panama," I incredulously protested (my opinion, however, did not persuade the official the least). Ambassador Hughes' arrival obviously eased the situation, but my impression is that the animosity between the embassy and the Southern Command is already a deeply rooted tradition.

Second, returning to Perry's statements, he told THE TROPIC TIMES how we had been told on other occasions that the bases in Panama are not important for the United States. The implicit message here is that we must not take an unfavorable position because the

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United States does not have a major interest on the bases.

However, this time Perry added something that, in my opinion, U.S. officials had never before publicly admitted: If the bases in Panama are closed down, the United States would simply move these operations to another country in the region. According to THE TROPIC TIMES, Perry said that "not a single one (base) is vital for the U.S. national defense. Howard plays a significant role in antinarcotics operations, and if the base is returned (to Panama), the Department of Defense will have to make arrangements to keep using another air base in the region." In addition, Perry added, "a jungle training center (which is currently in Panama) could be moved to another site."

These statements by the Pentagon clarify things a little bit. It is not that the bases are not crucial to the United States; they are inde What is not crucial is for the bases to be located in Panama. It seems that Howard is the most indispensable base, because the United States cannot be left without an air base in Latin America. However, if Panama takes a very unpopular stance, the Pentagon will load its planes and take them elsewhere. My sources suggested that Honduras would be the most likely place, because the United States already has a small air installation there and because there is a large tropical jungle to erect all the training centers one may want.

And Honduras still has an old-style army that would be happy to heighten its profile — not to mention its budget with U.S. military aid that always supports the Pentagon's interests — with a U.S. military mission in their territory. We must never forget that the Pentagon is still convinced that every country needs its army, and that encouraging "cooperation" and "ties" with the American armies is one of the main missions of the Southern Command. The abolition of the army in Panama, I have noticed, is something that the U.S. military did not like, because it deprived them of a local institution that made them feel welcome and served their purposes. The undeniable fact, thank God, is that although Honduras and all other Latin American countries, except Costa Rica, still have an army that can serve those purposes, we do not. Therefore, if the existence of a local army is a factor that the Pentagon deems necessary in determining where to establish its bases, we must admit once and for all that this factor puts Panama out of the race.

While we, the United States and Panama, reflect on this, the alleged exploratory talks continue to be at a stalemate and no date has been set for their continuation.

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Argentina

Argentina: Peruvian Senate Head Confirms 'Trust' in Menem

PY1705024896 Buenos Aires TELAM in Spanish 1341 GMT 16 May 96

[FBIS Translated Text] Buenos Aires, 16 May (TELAM) — Peruvian Senate President Martha Chavez confirmed today that she trusts that President Carlos Menem will manage to elucidate the alleged arms diversion to Ecuador. She also confirmed that "Peruvians are not angry with Argentines."

Chavez emphasized: "I came to Argentina to convey the confidence and expectations that we Peruvians have in President Menem's word that the case involving the arms sales to Ecuador will be elucidated and that he will get to the bottom of this affair."

After visiting our country and delivering a letter from President Alberto Fujimori to his Argentine counterpart, the Peruvian congresswoman made remarks a few minutes before departing for Peru from the military area of the Jorge Newbery metropolitan airport.

Chavez recounted: "I have accomplished the task entrusted to me by President Fujimori of delivering a letter to the Argentine president." She confirmed that "Peruvians are not angry with Argentines" over the alleged arms diversion to Ecuador.

Chavez admitted that the Peruvian people are "seriously distressed" over "the fact that Ecuador possessed Argentine arms when Ecuador was at war with our nation." Chavez added: "We Peruvians are looking forward to the outcome of the investigations."

Chavez ultimately emphasized that the disagreement that arose over the alleged arms diversion to Ecuador will not affect "the friendship existing between the Peruvian and Argentine nations." "I hope this friendship will exist forever," she said.

Argentina: Brazilian Restrictions Termed 'Irrational'

PY1605231096 Buenos Aires TELAM in Spanish 2303 GMT 14 May 96

[FBIS Translated Excerpt] Buenos Aires, 14 May (TELAM) — Jose Ignacio de Mendiguren, chairman of the Argentine Industrial Clothing Chamber (CIAI), today defined the non-tariff barriers implemented by the Brazilian Government on Mercosur [Common Market of the South] textiles as "irrational."

Mendiguren said: "The limitation on the financing of textiles from the other Mercosur member countries is irrational considering the flow of commerce in the area, particularly between Argentina and Brazil. They could not hurt the interests of Brazilian producers."

The restrictions on financing regional textile imports has provoked protests from other Mercosur member countries. Uruguay even threatened to boycott the signing of any future agreement — including Chile's incorporation to the bloc — if the measure is not revised. [passage omitted]

Argentina: Uruguayan Connection in Arms Deal Examined

PY1605200896 Buenos Aires CLARIN in Spanish 15 May 96 p 5

[Article by Daniel Santoro]

[FBIS Translated Text] The Argentine courts have subjected the **Uruguayan connection** of the arms sales to Croatia and Ecuador to **close scrutiny** and have asked the Uruguayan courts to investigate the Uruguayan **accountant** who works for Lieutenant Colonel Diego Palleros, an Argentine gun-runner.

The request was made by Judge Marcelo Aguinsky, who wants the Uruguayan courts to interrogate Roberto Blankleder, an accountant whose firm of accountants is listed as **the headquarters of the companies** Hayton Trade and Debrol (managed by Palleros), which are just **fronts** for [the illegal sale of weapons] and are implicated in the shipments [of arms] for Croatia and Ecuador, respectively. Palleros, who is a **key piece** of this scandal, is a fugitive from justice.

The address of Blankleder's firm of accountants is 1334 Treinta y Tres Orientales Street, Montevideo, the same address as that of the legal domicile of the two aforementioned companies, which are called "**dummy corporations.**"

By virtue of the bilateral judicial cooperation agreement between Argentina and Uruguay, Judge Aguinsky's request — of 7 May — was made directly to **the Uruguayan courts** rather than through the Foreign Ministries. According to Judge Aguinsky, **secondary liability** falls on Blankleder for the crime of smuggling in the case of Ecuador.

This notwithstanding, Blankleder will not be automatically interrogated, since the Uruguayan courts first have to agree that the bilateral cooperation agreement is applicable to this case.

Federal Judge Jorge Urso — who is also probing into the arms deal — asked the Central Bank to give him the **bank statements** of Luis Sarlenga, former General Directorate of Military Industries [GDFM]

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trustee; Colonel [Edberto] Gonzalez de la Vega, GDFM business coordination director; and Palleros.

Power of Attorney for the Uruguayan Citizen

Blankleder **is not unknown to** Judge Urso. During a raid conducted by his secretary, attorney Mario Almeida Leighton, on Palleros' house at 3600 La Pampa Street, in the city of Buenos Aires, a folder with several handwritten notes — which, quite revealingly, said **"power of attorney for Blankleder"** — was seized.

Nevertheless, the Uruguayan connection does not end there. In September 1995, Palleros tried to make compensation for not having shipped to Ecuador the remaining 3,000 rifles of a total of 8,000 and several tonnes of the 75 tonnes of ammunition by sending that country one million rounds of 7.62 mm-caliber ammunition — the type used for FAL rifles. The last consignment of weapons bound for Ecuador never arrived at its final destination because the [Argentine] Government stopped the last of the four flights when the case became public.

Palleros shipped the one million rounds of ammunition out of the Iranian port of Bandar-e 'Abbas to Guayaquil in the "Hornestrand," a vessel sailing under the Danish flag. Another revealing thing is that the cost of the shipment was defrayed by **the company Illions Trade Company Inc.** also headquartered at 1334 Treinta y Tres Orientales Street in Montevideo — the address of Blankleder's firm of accountants.

Argentina: Senators Rally Around Camilion

PY1605183096 Buenos Aires TELAM in Spanish 0121 GMT 15 May 96

[FBIS Translated Text] Buenos Aires, 14 May (TELAM) — The Justicialist Party [PJ] bloc in the Senate rallied around Defense Minister Oscar Camilion today. PJ senators asked the defense minister not to resign his portfolio and to move ahead in the probe into the alleged third-party sale of Argentine weapons to Ecuador.

Augusto Alasino [PJ-Entre Rios Province], the majority bloc leader in the Senate said: "We do not want the minister to tender his resignation but rather to move ahead in the investigation, because the public wants this affair to be elucidated rather than assign political responsibility for this affair to somebody to cover up a shady deal."

Senator Alasino exhorted the opposition not to lose sight of the underlying aspects of this case, which "have laid bare the perverse system of companies, which are just a front" for the illegal arms trade."

In challenging the criticism leveled by the opposition against Camilion during the statement the latter made before the Senate Defense Committee, Alasino declared: "It is this perverse system that has outlasted the first two terms of office of a democratically elected president."

The session, which for all practical purposes was an interpellation, lasted for six hours and was adjourned shortly before 2200 local time.

The majority leader's remarks were a faithful reflection of the position adopted by the PJ bloc during the debate, in which the ruling party senators screened the defense minister from the opposition's onslaught.

Opposition senators had no sooner begun interrupting Camilion's statement than Jorge Yoma (PJ-La Rioja Province) hastened to tell them: "Listen to the minister and leave the remarks you prepared beforehand to play for the gallery on television for later."

Likewise, when several senators raised objections to the fact that Camilion was basing himself on an information request submitted by Radical Senator Antonio Berhongaray in order to provide his answers, Defense Committee Chairman Eduardo Vaca [PJ-Buenos Aires] demanded of the UCR [Radical Civic Union] that it respect the agreements reached prior to the interpellation.

Argentina: Opposition Insists Defense Minister Resign

PY1605212896 Buenos Aires CLARIN in Spanish 16 May 96 pp 2, 3

[FBIS Translated Excerpt] While ruling party deputies remained **totally indifferent** to the fate of Defense Minister Oscar Camilion and **never once tried to shield** him from thrusts from the opposition, Camilion yesterday endured **six hours of questioning** by the members of the House Defense Committee on the sale of weapons to Croatia and Ecuador.

Opposition deputies, particularly those of the UCR [Radical Civic Union] and Frepaso [Front for a Country in Solidarity], not only fired questions at the defense minister, but also **insisted** on the need for him to tender his **resignation.**

The atmosphere over the questioning **was not really tense** because the opposition could **comfortably** dwell on all the questions it had prepared, while Camilion reiterated the main points of the statement he made before the Senate Defense Committee on 14 May. "The government was deceived," was the pith of his argument. [passage omitted]

Camilion disclosed some new information. He acknowledged, for example, that **he had not informed** Presi-

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dent Carlos Menem about the fact that Brigadier General Juan Paulik, Air Force chief of staff, alerted him to the shipment of weapons to Ecuador from Ezeiza International Airport in February 1995.

As Camilion was bringing his statement to a close, UCR Deputy Sergio Montiel asked him point blank: **"Did you inform the president of what Paulik had told you?"**

"No," was Camilion's laconic reply.

Camilion's statement — which became a **virtual interpellation** — aroused a lot of interest. **Peruvian lawmakers,** including Congress President Martha Chavez who lunched with Chamber of Deputies President Alberto Pierri, attended this meeting. [passage omitted]

Argentina: Bill Drafted on Lifting Arms Secrecy

PY1705035496 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0052 GMT 17 May 96

[FBIS Translated Text] Buenos Aires, 16 May (NA) — The executive has signed a decree privatizing Military Industries (FM) and will send to Congress a draft bill eliminating the legal secrecy on arms imports and exports.

Economy Minister Domingo Cavallo made the announcement tonight. Cavallo said that the Finance Ministry will be in charge of the administration of FM in order to supervise the privatization process of all companies under the organization.

The executive branch has changed its arms policy following the scandal provoked by the shipment of arms to Ecuador, when this country was at war with Peru, and to Croatia.

The area of military industries was taken from under the Defense Ministry only hours after Defense Minister Oscar Camilion was interpellated at the Senate and interrogated at the Chamber of Deputies.

Cavallo announced during a news conference that he appointed Oscar Saggese as FM general director with the approval of President Carlos Menem. Saggese was the first Industry and Foreign Commerce secretary that this government had.

The minister made the announcements a few minutes before leaving for the United States and after maintaining an unscheduled meeting with Menem.

Cavallo said that the draft bill proposes the elimination of all secrecy norms. Some of these norms were approved in 1926, most of them during the military process, and they affect the export as well as the import of arms.

Cavallo said that Argentine Security Forces will now have to pay all taxes and the customs department will control the movement of arms.

The minister said that secrecy norms, the elimination of which are proposed by the government, are a "contradiction with President Menem's clear policies in favor of peace and Argentina's contribution to world peace."

When justifying the privatization of FM, Cavallo said that from now on production "will be directed to Argentina's security forces, which will no longer have an incentive to import because they will have to pay duties and taxes and all imported arms will be controlled by the Customs Department."

"This step will finish the process that seeks to dismantle the system, a system that encouraged the import of arms and dangerous technologies in the past 15 years through secret laws," the minister added.

Cavallo said that the draft bill "points in the same direction of other important decision made by the government when it ordered the dismantling of the Condor project. [no closing quotation mark as received]

Cavallo said that the manufacture of the Condor constituted "the most cold-blooded export of technology to countries that should have never received it, which was not even Argentine technology because it was developed by German companies in our territory."

The minister recalled that in Iraq, after the Gulf War, UN officials found a plant similar to the one that produced the Condor missile in Cordoba.

The minister said that the privatization of FM will start "in two to three months and will not last more than a year."

Cavallo added that the Finance Ministry will start looking for possible investors and estimated that Argentine and foreign companies have a lot of interest in the company's privatization.

Argentina: 'Commercial Pragmatism' Noted in Mercosur

PY1605212996 Buenos Aires CLARIN in Spanish 15 May 96 p 14

[Commentary: "Commercial Pragmatism in Mercosur"]

[FBIS Translated Text] The Brazilian implementation of measures to protect its textile industry, which does not discriminate between Mercosur [Common Market of the South] member countries and other countries, is consistent with an attitude that gives priority to the

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defense of local industries and which has already been implemented in other areas.

The Brazilian Government, worried about the impact of imports on its country's textile industry, decided against allowing textile importers to make financed purchases, forcing them to pay for their imports in cash within a period of 30 days, which makes products from abroad more expensive and their entry into the country more difficult. The main factor behind this policy is to defend local industries from very cheap manufactured products, from China or other Asian countries, that are many times sold under dumping conditions. But the measure to which we refer will affect all producers equally, including those in Mercosur.

The Argentine and Uruguayan Governments made public their annoyance over this procedure which violates the principles of regional preference established in the integration treaty and which could affect River Plate exports to their partner in the north.

The measure, nevertheless, should not surprise anyone because the defense of the internal market and the promotion of exports have been characteristic of Brazilian economic policies for decades. A recent example is the modification of the Brazilian automotive regime to protect the local market. The change forced a revision of the Ouro Preto Agreement, which established the system of regional opening, seeking to integrate the automobile industries. That modification especially affected just one market.

That case proves — as we usually maintain in this column — the importance of negotiating our integration with realism, without subordinating our national productive interests, a premise that Brazil seems to have always present in its commercial pragmatism.

Argentina: Correction To Defense Minister on 'Smear' Campaign

PY1605141196 Buenos Aires TELAM in Spanish 2358 GMT 14 May 96

[Corrected version of item originally filed as PY1505032096 and published on pages 33 and 34 of the 15 May Latin America DAILY REPORT; explanatory note describes differences from initial FBIS version]

[FBIS Translated Text] Buenos Aires, 14 may (TELAM) — Defense Minister Oscar Camilion today characterized the group of people who accuse the government for the alleged shipment of arms to Ecuador as "foolish." The minister said that there is a "campaign" to smear the Argentine state.

"The government did not know," the minister insisted when answering a question by the opposition. Camilion pointed out that the smear campaign originated in "one media," emphatically warning that "it is rationally foolish to think about the complicity" of Argentine authorities.

Camilion expressed hopes that the investigation will "rapidly" clarify the situation, stressing that "the rotting parts" surrounding the case "will be wiped out."

Camilion testified at a hearing of the Senate Defense Committee, but refused to give the "names" of the people who are allegedly responsible, warning that it would be "improper" to do that when a legal investigation is under way.

The defense minister accepted that "it is perfectly possible that the government was deceived" because contraband "has always being clandestine."

Camilion said that "it is hard to believe that the government acted as an accomplice because the operation was carried out in a very awkward way."

Camilion answered with strong words to Radical [Radical Civic Union, UCR] Senator Antonio Berhonagaray, who asked him "to assume his political responsibility before the Argentine and Peruvian history" and "do what we all expect," referring to his eventual resignation.

"I do not feel like I am in the position to accept lessons regarding my links with the Republic of Peru," Camilion answered, stressing that Argentina "should not feel shame in its relations with that country because of the action of a group of criminals" [original read: "cannot feel ashamed of its relations...."; rewording for clarity].

With respect to the request for his resignation Camilion said without losing his composure: "I think we should wait" and stressed that he was not a "lone ranger because I work in a team."

UCR Senator Leopoldo Moreau said that the government knew of the "triangulation" that made possible the deviation of the alleged shipment of arms to Ecuador. He also said that "he believed that once more the responsibility of a public servant was going to end in impunity."

Moreau and Justicialist Party [PJ] Senator Cristina Fernandez de Kirchner suggested the need of the minister's resignation while Graciela Fernandez Meijide, of the Frepaso [Front for a Country in Solidarity], chose to speak about the theory of "objective responsibilities."

Earlier Camilion had explained that "all necessary requisites were fulfilled" for the operation of the sale of

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arms to Venezuela, but making clear that, later, officials found out "that all the documents were false, which provoked the cancellation of the rest of the operation."

Camilion gave his report at the Senate Reading Room. The opposition questioned the method used by the minister to answer an extensive request for information containing 60 questions point by point.

"Let us respect what we agreed to," PJ Senator Eduardo Vaca, president of the defense committee, demanded. Meanwhile, La Rioja Senator Jorge Yoma accused opposition senators of being "more interested in making speeches for television viewers than in listening to the minister."

Camilion continued with his explanations after the exchange between senators. He did not rule out the theory of "an agreement" between companies at the beginning of the war at the Condor Mt. ranges between Peru and Ecuador in 1995 leaving the Argentine Government out.

The minister said that the sale of arms to Venezuela, which did not need to meet any special requirement, was authorized long before the war between Peru and Ecuador, because "we would have suspected something" had the permission been granted during the conflict.

Camilion explained that the intervention of the defense minister in the case of the arms shipment to Venezuela "was normal," adding that arms sales decrees "allow a margin of flexibility to adjust the mechanisms of supply and demand."

Bolivia

Bolivia: President in Netherlands Seeking 'Substantial' Aid

PY1605191296 Madrid EFE in Spanish 1604 GMT 14 May 96

[Report by Fernando Heller]

[FBIS Translated Text] The Hague, 14 May (EFE) — Bolivian President Gonzalo Sanchez de Lozada said during an interview with EFE on 14 May that his country will not be able to pursue a sustainable development strategy if it cannot first solve the pressing problems of the foreign debt and drug trafficking.

The Bolivian president, who began a two-day visit to the Netherlands today, said that his country's debt continues to be "of concern" despite the fact that part of the commercial debt has been repurchased.

Bolivia's foreign debt exceeds $4.527 billion, of which $2.674 billion is multilateral debt and $1.82 billion bilateral debt, and it is the only debt that has increased in the past decade. This negatively affects the country's balance of payments, Sanchez de Lozada said.

One of the objectives of his visit to the Netherlands is to obtain "a substantial contribution" to refinance Bolivia's debt with multilateral financial institutions, the Bolivian president said.

Sanchez de Lozada will have a meeting in The Hague with Dutch Prime Minister Wim Kok, Cooperation Minister Jan Pronck, and Queen Beatrix, seeking to obtain assistance "to promote Bolivian exports."

At present the Netherlands grants Bolivia "very significant assistance in the field of natural parks conservation and planning of environmental policies," totaling some $200 million in the past five years.

The Bolivian president, however, thinks that more economic resources are needed to achieve sustainable development because his country "is one of the countries with greater biodiversity in the world, and the task of achieving sustainable development is a titanic task impossible to accomplish alone."

"The Netherlands is one of four European countries, together with Sweden, Switzerland, and Denmark, that have shown their clear willingness to give Bolivia more favorable treatment. Without this help it will be difficult to carry out the reforms we want to implement to modernize the country," Sanchez de Lozada said.

The Bolivian president arrived in Amsterdam after visiting Stockholm, where he signed various commercial agreements and received aid totaling $10 million, which will be used to beef up "a fund for pardoning or refinancing" Bolivian debt. He expects the support of "many more countries willing to express their solidarity with our country" for this fund.

Sanchez de Lozada said that any initiative involving international support for our country will be "decisive" to implement his government plan based on a policy of important structural changes such as administrative decentralization, educational reform, the "capitalization" of public companies, and the "establishment of a system of pensions similar to the one existing in Chile."

He said that the latter is a "novel way of privatizing" consisting of "associating partners willing to make new capital contributions, which on occasion can reach up to 50 percent," allowing "capital investments in the company directly and creating new jobs instead of giving the money to the government, such as in normal privatizations."

Another purpose of his visit to the Netherlands is to obtain help to solve the problem of drugs and the replacement of coca plantations with alternative crops, "one of the gravest Bolivian problems and a true

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obstacle obstructing development," in the opinion of the Bolivian president.

Bolivia is the third leading producer of coca leaves in the world. In the past decade, the Bolivian Government has combined a policy of repression of drug trafficking with a policy of voluntary eradication by compensating peasants who destroy their coca plantations.

Sanchez de Lozada said that the struggle against drugs and drug trafficking must be "a joint effort based on solidarity," and criticized the United States because this country "demands increasingly more and helps us increasingly less."

Bolivia is the country in the world that uses the greatest amount of money, in relation to GDP, to fight drugs, and the alternative to the dwindling U.S. aid is "to seek support in the EU."

The Bolivian president expressed trust that he will "soon" receive a complementary help from the EU because "we must not forget that developed countries are the main drug consumers."

Bolivia: Opposition Calls Military Charges 'Irresponsible'

98SM0295A Mexico City NOTIMEX in Spanish 12 May 96

[Received via Internet]

[FBIS Translated Text] La Paz, 12 May (NOTIMEX)—Opposition deputies today rejected the accusation by the Bolivian armed forces that extremists are allied to the opposition and intend to cause chaos in Bolivia. The deputies asked the military command to disclose the names of the "conspirators."

The opposition reacted angrily upon learning of the Armed Forces' allegation that after being thwarted by the Army, extremist organizations are currently allied indirectly with opposition leaders and seek "to provoke chaos in Bolivia."

The military gave notice that in order to prevent "ultra-radical followers of foreign extremism" from continuing their ignoble efforts to harm the careers of the current military commands, they will take legal measures to identify the "conspirators."

The legislators said that the rejection by the Armed Forces of the "anarchistic actions of extremist politicians" troubles members of the opposition, who have cloaked themselves in anonymity in an effort to induce a reaction from the military commands.

The statement by the military declares that the Armed Forces reject every petty, selfish, and intellectualy dishonest attempt to harm the unity, integrity, and desire to serve of those members of the military institution who with dedication perform tasks that are alien to politics.

Deputies of the Conscience of the Fatherland Party (Condepa), the Movement of the Revolutionary Left (MIR), and Nationalist Democratic Action (ADN) stated their belief that instead of protecting the democratic system, the "confused" accusation by the Armed Forces threatens it.

MIR Deputy Guido Riveros insisted that the Armed Forces have the obligation and the responsibility to live up to their civilian and military principles and identify those persons who are conspiring against the nation.

Riveros maintained that the Armed Forces should provide proof of the conspiracy and identify its leaders, because you do not play games with democracy. The accusation must be proved, he said.

"The story told by the military is confused and irresponsible," ADN Deputy Fernando Kieffer said, as he urged the Armed Forces high command to supply the names of those individuals who could be compromised by the accusation.

In the event it does not do so, the deputy said, we are going to ask the Congressional committee to invite Reynaldo Caceres, commander in chief of the Armed Forces, to testify, because he cannot lend himself to a distractive maneuver by the executive branch.

In the opinion of Condepa Deputy Ricardo Paz, the Armed Forces must make their accusation more precise, because the spectrum of suspected opposition conspirators is broad and extends all the way from the right to the Trotskyites.

"The Armed Forces have an obligation to say which parties or politicians they have in mind," Paz said, "because their story sounds like the kind of story that could indicate that the Armed Forces are planning a coup d'etat, and the mere fact that the authors of this story are military officers makes it only natural to demand names."

Bolivia: Military Rejects Drug Enforcement Role

PY1705000496 Cochabamba LOS TIEMPOS in Spanish 30 Apr 96 p A7

[FBIS Translated Text] La Paz, 29 Apr (LOS TIEMPOS) — Top Military Command officers pointed out today (28 April) that the Armed Forces will not participate in "drug enforcement" and will not "militarize" the struggle against drug trafficking in Bolivia.

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General Hernan Aguilera Bianchi, Bolivian Army commander, told LOS TIEMPOS: "The Army shares the Bolivian state doctrine. Bolivia favors the Alternative Development Program over the militarization of the struggle against drug trafficking. Thus, the Army as a branch of the Armed Forces, follows and will continue to follow the current policies on this problem."

The Army commander added: "Politics indicates the strategies to be pursued. The government has a clear drug enforcement policy and there is no reason for the Armed Forces to consider new guidelines as long as there are no significant changes to this drug enforcement concept and philosophy."

Bolivia: Senate Approves Ambassadorial Appointments

PY1705014296 La Paz PRESENCIA in Spanish 3 May 96 Section 1 p 7

[FBIS Translated Excerpt] During a session behind closed doors, the Bolivian Senate appointed ambassadors to the PRC and Romania, delaying the appointment of the ambassador to Austria for 6 May.

The two ambassadors were appointed on 30 April. Mario Reyes was appointed ambassador to the PRC and Rene Jordan Pando was appointed ambassador to Romania. The appointments were supported by most senators. [passage omitted]

Brazil

Brazil: Two Amendments in Approved Sivam Bill Report

PY1605161296 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 16 May 96

[FBIS Translated Text] The Special Senate Committee has approved Senator Ramez Tebet's report on the Sivam [Amazon Region Surveillance System] bill, including some amendments.

Tebet included two amendments. One ensures administration ownership of the information collected in the software of the Sivam. The other amendment establishes that the administration must manage the information of the system and transfer it to federal or state agencies that are in charge of the Amazon region economic and social development.

The bill must now be voted on by the Senate. If approved, the administration will be able to contract a $1.4-billion loan abroad to implement the Sivam.

Brazil: Government Rejects Threats From Mercosur Partners

PY1605230996 Sao Paulo GAZETA RCANTIL in Portuguese 14 May 96 pp A 1, A 5

[Report by Maria Helena Tachinardi]

[FBIS Translated Text] Itamaraty did not like the Paraguayan and Uruguayan threats to block the signing of Mercosur [Common Market of the South] commercial agreements with Chile and Bolivia — as a protest over the Brazilian Government decision to reduce the term for financing textiles and clothing from 180 to 30 days.

"Paralyzing Mercosur would be senseless," said Jose Botafogo Goncalves, under secretary of integration, economic affairs, and foreign commerce. Botafogo told the Uruguayan ambassador to Brasilia last week that "Brazil considers it unacceptable to paralyze Mercosur just because of domestic financial measures. I hope the these authorities will not yield to pressure from the productive sectors and do not paralyze negotiations. It would be a mistake to use a political pressure instrument, ignoring other instruments."

Uruguay has been negotiating at the highest level. From Montevideo, President Julio Maria Sanguinetti last week called his Brazilian colleague Fernando Henrique Cardoso, while Uruguayan Foreign Minister Alvaro Ramos said his country would not approve any Mercosur measure until Brazil restores longer terms for financing textile imports from its three partners.

"We will not negotiate anything. Everything is paralyzed. Before negotiating with countries outside the bloc, we should resolve our own problems," an Uruguayan source told this newspaper on 13 May. Argentina sent a note to the Brazilian Government expressing concern, while Antonio Felix Lopez, the Paraguayan negotiator in Mercosur, also adopted the Uruguayan position: To stop negotiations "until the matter is resolved."

The new rules for cash payment of imports affect textiles and clothing included in Chapters 60 to 63, which cover many products. The new measure, however, was not published in the Official Gazette. One Paraguayan source stated that this is making things more difficult for Paraguayan exporters, especially those who supply cotton thread and fiber. "If the measure affects those products, there will be great difficulties because in Paraguay, all small farmers cultivate cotton."

Botafogo Goncalves said the government is studying the complaints from its partners and will eventually exempt Mercosur countries from the requirement for

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cash payment on imports, but there is no immediate solution on sight.

He said: "Brazil is reviewing its commercial defense policy, and this coincided with the designation of Francisco Dornelles (to the Industry, Commerce, and Tourism portfolio). He needs time to look into the problem."

The government is hearing claims from Brazilian textile and clothing manufacturers, who complain about unfair competition because on the local market they have to honor short-term obligations while credits for importers are granted for periods of up to 180 days.

"We are not discriminating against Mercosur. We are establishing equal financial conditions" to put Brazilian importers and producers on the same standing, Goncalves said. He added that Brazil is buying about 35 percent of Uruguayan and Argentine exports. "Brazil continues to have an open market, and does not recognize criticism that the government adopted a non-tariff measure. The government has only equalized financial conditions."

Brazilian partners want Mercosur to be excluded from all Brazilian foreign trade measures that may affect the free-trade zone of the four countries.

Brazil: Wasmosy Visits; Thanks Cardoso for Support

PY1705000596 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 16 May 96

[FBIS Translated Text] Paraguayan President Juan Carlos Wasmosy today visited Planalto Palace to thank the Brazilian Government for its support during the coup attempt in his country.

The Paraguayan president met with President Fernando Henrique Cardoso for one hour. At the meeting, which was considered private, Wasmosy thanked Cardoso for the support received during the military coup attempt led by General Lino Oviedo in April.

Wasmosy emphasized that Brazil's moral support strengthened the determination to continue the task of consolidating democracy in Paraguay.

Wasmosy will now go to Argentina, and then to Uruguay. The Paraguayan president said he extended an official invitation to President Cardoso to visit Paraguay on 22 June, on the 30th anniversary of the signing of the document that created the Treaty of Itaipu, which he referred to as testimony to Brazilian-Paraguayan integration.

Brazil: Northeast Region Development Program Launched

PY1705013696 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 16 May 96

[Report by Corban Costa in Brasilia]

[FBIS Translated Text] The federal administration has launched a development program for the northeastern region. Planning Minister Jose Serra today launched a federal administration program aimed to promote self-sustained development in the Northeast Region. Over the next four years, the administration will invest more than 12 billion reals in programs to improve health, education, tourism, job generation, transportation, sanitation, and housing.

Minister Serra said the program does not meet all the needs of the Northeast Region, only the main ones. Serra said that it is important to present concrete solutions for the region's problems.

[Begin Serra recording] We must be careful to prevent the federal administration actions in the northeastern region from becoming grandiloquent. We must prevent the administration from announcing grandiose things and leaving them all on paper. The idea is to provide concrete solutions. We have started to implement 11 concrete measures for the region. [end recording]

The resources to be invested in the various actions will come from the Inter-American Development Bank, the World Bank, the Severance Pay Fund, as well as from resources already contemplated in the General Budget.

The meeting at the Planning Ministry was attended by governors of the Northeast Region states, four ministers who are involved in the implementation of the program, and Vice President Marco Maciel.

Brazil: Consequences of Cabinet Reshuffle Analyzed

PY1705021496 Buenos Aires GAZETA MERCANTIL LATINOAMERICANA in Spanish 5-11 May 96 p 9

[Article by Eliane Cantanhede in Brasilia]

[FBIS Translated Text] One week after President Fernando Henrique Cardoso conducted a cabinet reshuffle, the generalized opinion reigning in Brasilia is that the political consequences of the reshuffle may prove to be not as positive as the president and his main political advisers expected. The cabinet reshuffle was conducted exactly in order to increase the number of political parties supporting the administration, as well as to ensure more votes in Congress in favor of the government proposals. So far, however, criticism of the reshuffle has been as strong as the praise for it.

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As we say in Portuguese, the administration managed to hit the nail on the head once but missed it the second time. A few days after trying to please the allied parties by appointing their members to head ministries, President Fernando Henrique Cardoso sent a bomb to be debated in Congress: the executive branch provisional decree establishing a social contribution to be paid by federal administration public employees who are already retired or living on pensions, as well as an increase to the social contribution that autonomous workers must pay to the social security system. No other two measures could have been less popular and congressmen hate having to vote for unpopular measures.

The provisional executive decree is the executive branch's most authoritarian instrument and goes into force automatically. Only after having been already implemented is the issue voted on in the Chamber of Deputies and in the Senate. In addition, this instrument can remain on the voting agenda for an indefinite period of time if the leaders of the parties that are allied to the administration so decide. It is logical, however, that the allied parties will avoid using this type of decree.

Particularly because the Constitution contemplates that an issue that is rejected in a voting session held on the congressional floor during a specific congressional season can only be presented again in the next congressional season, i.e., one year later. The two measures decreed by Cardoso have already been rejected by Congress this year.

The administration's justification for the decree is that the social security and administrative reforms have not been approved by Congress and that, as a result, it is necessary to urgently fill the Treasury coffers. As to the technical aspect of the issue, jurists claim that Congress has studied the bills that have been rejected during the special congressional season held in January, and that this means that they have been rejected before the current congressional season. The opposition, however, does not accept this theory. Worse still, nor does most of the allied parties' bloc. Nothing has been easy for the federal administration since last year, when the reforms that ensured the easing of state monopoly over oil exploitation and the telecommunications area were spectacularly approved. Polls still do not register significant drops in President Cardoso's popularity, but they have already started to show that the classes that make up the country's public opinion, particularly class "B," are beginning to show a certain disappointment. The yellow traffic light is flashing.

This is why Planalto Palace is betting all on the definition of schedules and strategies. Priority is still given to the social security and administrative reforms. These are supported by the state governors, but the federal administration has started to bet everything on the tax reform also.

Explaining that there is no political atmosphere to ensure the approval of the reform that the administration has been dreaming of for the fiscal area, a high-ranking government source said that the president has already given his orders: Even if some aspects of the reform are defeated, including the possible need of transferring federal administration income to state and county administrations, this loss is worthwhile. Anything is an achievement as long as taxes on exports stop being levied. The president has made clear to his aides that this is the main issue. He also asked them to do their best to ensure the reform will be swiftly debated in Congress.

The administration lights will not be focused on the opposition but on the strayed, demanding, and hard to deal with bloc of government-supporting parties. The future of the reforms depends on this bloc because, after all, the Congress' arithmetic is clearly favorable to the administration. So far, the problem has consisted of something different: the absolute lack of faithfulness of the blocs. Has this changed?

Brazil: Minas Governor on Cabinet Reform, Cardoso

96SM0290A Rio de Janeiro JORNAL DO BRASIL in Portuguese 28 Apr 96 p 12

[Interview with Minas Gerais Governor Eduardo Azeredo by Teodomiro Braga, place and date not given; first paragraph is JORNAL DO BRASIL introduction]

[FBIS Translated Text] One of the chief discoveries among the new crop of governors, *mineiro* Eduardo Azeredo, 47, has just had his best month ever. In a succession of major, positive developments for Minas, President Fernando Henrique Cardoso [FHC] praised the state as the pace car of this country's new industrial cycle; Fiat launched its "world car," (the Palio) in Ouro Preto; and Mercedes-Benz selected Juiz de Fora as the site of its assembly plant. To top it off, Azeredo also cut the ribbon, last Thursday, at a new Pepsi-Cola bottling plant in Contagem. On good terms with life, the Minas governor looks favorably on the cabinet shakeup begun last week by President Fernando Henrique, despite complaints from his party, the PSDB [Brazilian Social Democracy Party]. According to Azeredo, the new coalition of parties backing the federal government will facilitate approval of the reforms, a subject that, he made a point of explaining, "took up 90 percent of the president's Tuesday meeting with the governors—instead of states' indebtedness or agrarian reform." In

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this interview with JORNAL DO BRASIL, Eduardo Azeredo also talked about his religious faith and other aspects of his meteoric political career, begun only seven years ago when he interrupted his career in systems analysis to run for deputy mayor of Belo Horizonte on the slate headed by Pimenta da Veiga.

[Braga] What is your opinion of the cabinet reform, which some critics say has disfigured the PSDB face of the administration?

[Azeredo] I see the reform as a rearrangement of the coalition of parties backing the government because of the problems the president has been having with Congress. That was the purpose, to win firmer support in the Congress. What good are nice proposals if they cannot get approved? I think this rearrangement, which strengthens the presence of the PMDB [Brazilian Democratic Movement Party] and includes a role for the PPB [Brazilian Progressive Party], enhances the prospects for passage of the reforms. It is obvious that the political hegemony of the PSDB has been somewhat affected, there is no denying that.

[Braga] How did you react to the exchange of *tucana* Dorothea Werneck, who was part of Minas' quota in the cabinet, for a minister from Maluf's party?

[Azeredo] I understand the need for the PPB to have a role in the cabinet. I regret Dorothea's departure, because she did a fine job in the government, especially on automotive issues. She promoted the policy of opening up that sector and later used the rise in import duties to force new automakers to come to Brazil. I regret her departure, but I understand it.

[Braga] Does the entry of the PPB into the cabinet represent a shift to the right for this government?

[Azeredo] No. The PPB had already been supporting Fernando Henrique. Since it was supporting him, it is legitimate that it should have a role in the administration, in the form of a minister. That in no way changes the ideological profile of the government. It is Fernando Henrique who gives the government its ideological profile. You also have to take into account that it is the president's prerogative to form a government, and he has the right to set up the administration the way he wants to.

[Braga] Are you going to nominate a minister of agriculture to make up for Dorothea's departure?

[Azeredo] Only if I am asked to. Minas is interested in investment, not in government posts.

[Braga] Ever since you took over as governor, you have faced cash problems that forced you to cut expenses drastically and lay off employees, those so-called unpopular measures. Are you finding it harder than you expected to govern Minas?

[Azeredo] Indeed, I am finding it much more difficult, and the difficulties have grown because of the delay in approval of the reforms. I still strongly urge passage of the administrative and social security reforms and a redistribution of the tax proposal [as published], because the states are in a very difficult position, one that has worsened precisely because of the delay in passage of the reforms.

[Braga] You have been mentioned as one of the likely candidates for the presidency of the Republic in case the re-election proposal does not go through. What do you think about running for president?

[Azeredo] I have never thought about it. Sincerely, I am truly dedicated to my administrative tasks here in Minas. I consider the fact that Brazil does not allow for the possibility of re-election a restriction of the voters' right to indicate whether or not they are satisfied with the government. When someone argues in favor of the possibility of re-election, he is not advocating a lengthening of the terms of office—that would indeed be sophistry. He is asking that the electorate be given the opportunity to retain, for one more term—as happens in nearly all the countries of the world—someone who is working out well. It would be good if we were able to guarantee, for four more years, President Fernando Henrique's firm desire for change.

[Braga] In other words, you would support the re-election of President Fernando Henrique.

[Azeredo] I do, it would be good for Brazil. However, I think at this point that it would be impossible to get it approved.

[Braga] During the most recent election campaign, then-candidate Fernando Henrique did not strongly support your candidacy for governor of Minas, since he was also backing your opponent, Helio Costa. Now you are one of the governors who has the best access to the president. What caused that relationship to change?

[Azeredo] The typically *mineiro* style of conciliation, of looking for positive action. I understood the president's position at that time. Obviously I suffered somewhat, given the difficulties of campaigning, but what is important is that now he is the president of Brazil and I am the governor of Minas Gerais, and we are working together because we understand what is important to this country, and we have adopted a new political style that is averse to demagoguery.

[Braga] Demagoguery has been one of the main targets of your criticism. Why?

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[Azeredo] I abhor demagoguery because demagoguery is just as damaging as corruption. Demagoguery gives people illusions. We have some political groups in Brazil that still insist on making decisions and directing their criticisms on the basis of demagoguery instead of looking at reality. My party, the PSDB, is essentially a party that is connected with reality.

[Braga] In your opinion, what is right and what is wrong in the Fernando Henrique administration?

[Azeredo] I think that one of the extremely positive points about this administration is its determination to make Brazil part of the world reality, by diminishing the size of the state. It has also had success in the area of education, communications, and several other areas. The difficulty that exists relates more to political relations, which sometimes exhibit some problems, plus a little bureaucracy at the intermediate levels of the ministries, which means that questions often take a long time to resolve. Even Minas Gerais has had some extremely long and drawn-out questions, and it has other matters that have still not been decided, all because of the bureaucracy.

[Braga] And what about the Itamar candidacy, launched by former Minister Ciro Gomes?

[Azeredo] Itamar left the government on a high note; he was a president who was very strongly supported by the general public at the end of his term, as the polls demonstrated. Now is not the time, however, to think about new candidates for the presidency.

[Braga] Shortly after you took office, you were physically searched by a police officer as you entered Independence Stadium to attend a game where your team, America, was playing. How did that come about?

[Azeredo] I think that one of the things any governing official should try to preserve is his "ordinary citizen" side. I am a fan of America, I have always been, I usually go to the games and, to help the team, I even pay for my ticket. At that game, when I entered the stadium, the policeman who was doing the searches did not notice who I was and began to pat me down. When he got to my shoulder, he saw who I was and immediately saluted me.

[Braga] One of your traveling companions saw you cross yourself when the plane started its descent. Are you religious?

[Azeredo] I am a practicing Catholic and consider it very important that we have faith. I believe in God and I think that many things in life are resolved precisely through spiritual inquiries.

[Braga] What traits did you inherit from your father, Renato Azeredo, who had a long political career?

[Azeredo] Patience, mainly. In politics you have to have a lot of patience and take a lot of abuse. This is especially true for me, since I have a more technical background.

[Braga] Among governors, you are one of the ones with the most technical training; you are a computer expert. How does your technical training help you to govern?

[Azeredo] It helps me realize that administration is becoming more complex every day, that it needs to be based on data and on concrete issues that actually exist, not subjective ones. I have succeeded in running an administration that blends the technical aspects with political sensitivity, which is how modern politics should be.

[Braga] Was it easy to reconcile the two?

[Azeredo] When I worked in computer science, I thought it unlikely that I would be able to be active in politics, especially because I am rather shy. But as time went on, I realized that the voters themselves have understood the transformation, so now there is a place for a politician who does not fit the traditional mold. That shyness sometimes meant that I was criticized for being too timid to lead Minas. The decision by Mercedes-Benz shows that shyness works, sometimes.

[Braga] Former Minister Paulo Haddad is on your team.

[Azeredo] At first, I thought of asking former Minister Paulo Haddad to be secretary, but we ultimately decided to create the post of special consultant to the government. I think I did just the right thing because, using his experience and creativity in that job, he has been able to be a big help in conceiving solutions without being tied down by the day-to-day problems of the government.

[Braga] You say you are not a candidate for president. What are your plans when you leave the governorship?

[Azeredo] For now, I just need to finish my job in Minas. That was how it was when I was mayor of Belo Horizonte, and I think that a good part of the success I had then was due precisely to the fact that I was not thinking about the next step on the ladder. I was dedicated to my job as mayor. And that is how it is now. I am thinking about being governor. I will not think about my future until afterward.

[Braga] After Mercedes-Benz, what will be your next bold move?

[Azeredo] There is no single focal point. Several actions are pending. I hope, for example, to make progress in

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offering the highways to concessionaires, because the government does not have the money to do what needs to be done in terms of roads. International financing is hard to get, and granting incentives is an attractive alternative.

[Braga] Recently, you criticized the incentives policy of Sao Paulo Governor Mario Covas. Does it throw the competition for new incentives out of balance that strongly?

[Azeredo] It could throw it out of balance, because it makes the incentives question equal to those of other states. If the incentives are equalized, and I am talking about incentives created precisely to counterbalance other positions, it is obvious that it causes an imbalance. I advocate an industrial policy that harmonizes the demands of the states.

[Braga] The courts in Minas have just annulled the privatization of Agrimisa [expansion not given], the Minas state-owned bank that was sold in 1989. What do you plan to do if the return of the bank [to state ownership] proves irreversible?

[Azeredo] Sell the bank all over again.

[Braga] After putting Credireal up for sale, you included Bemge [Minas Gerais State Bank] in the privatization program, and now you will not accept the return of Agrimisa. Are you a *mineiro* who dislikes banks?

[Azeredo] I am a realistic *mineiro* who believes that under current circumstances, official banks do not have much validity for the [state] governments. The only point that could be emphasized as being somewhat positive is the question of the pioneer branches. If administered politically, they go bankrupt. The banks can continue serving the economy of the states, but in private hands.

[Braga] You are considered by many as a model governor. What advice would you give the other governors?

[Azeredo] None. What I have is a feeling of solidarity with other governors, and I know I have things to learn. The government of Minas is moving forward satisfactorily and steadily, but we have problems on matters such as the size of the state and the pace of the growth in the public deficit.

Chile

Chile: Foreign Ministry Willing To Ratify Glacier Treaty

PY1605203596 Santiago EL MERCURIO in Spanish 14 May 96 pp A1, A12

[FBIS Translated Excerpt] On 13 May, Chilean Foreign Minister Jose Miguel Insulza stated that the Chilean and Argentine Governments have no objections to negotiating an additional document to the agreement that establishes the limits on the Southern Glaciers so the two parties may make some observations concerning the implementation and consequences of that agreement.

He denied charges that the executive branch is pressuring the legislative branch to ratify the Southern Glacier Agreement. He said that at a given moment these issues must be discussed and that obviously the government wants Congress to approve the agreement.

Insulza said: "The country must make decisions. Things should not be left pending for years. Decisions should be made. Now, concerning campaigns, pressures, all those things... Of course we will do everything to get the agreement ratified. Thus, I find it absurd for congressmen to inquire why the government is meddling. The government meddles because it wants the agreement ratified. It supports the idea of ratifying the agreement, and this position is shared with the previous administration." [passage omitted]

Insulza denied any strong resistance from the Chilean Congress. He said: "So far I have only heard that the issue is being properly handled, although we are taking a long time to make a decision. I have not heard many serious problems."

Moreover, replying to concern over agreement to Argentina's possible access to the Pacific Ocean and on the doubts over Argentina's projection toward the Antarctic, Insulza said these issues can be clarified through an additional protocol or an exchange of notes. [passage omitted]

Chile: Bi-Oceanic Corridor Seen as Threat to Drug Plan

PY1705021296 Santiago EL MERCURIO in Spanish 12 May 96 p A3

[Editorial: "Changes in Drug Trafficking]

[FBIS Translated Text] The Investigative Police have reported a "strategic change" in methods used by drug traffickers on the northern Chilean border. While announcing the discovery of several kilos of cocaine, the Investigative Police expressed concern over the possible establishment of a bi-oceanic corridor. The institution believes a communications system like the one being planned by the governments of Bolivia, Brazil, and Chile would jeopardize the drug enforcement strategy.

Concern by the Investigative Police over drug trafficking and the bi-oceanic corridor is one of the elements that could preclude drug enforcement most. This element — the international element of drug trafficking

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— is very noticeable in Chile because it is surrounded by great production centers, with long natural borders and difficult access which, for the same reason, are expensive to guard. This situation demands coordinated efforts by the states that, somehow or other, are linked to the drug problem. The success of any strategy regarding this problem at the national level is subject to coordination. This lack of adequate international coordination stems from the limited success met by some of the alternative experiences to the idea of prohibition.

Moreover, on top of recent statements by the Investigative Police come an endless string of events and statements that undoubtedly prove drug trafficking is an issue that requires most of our society's attention. Nothing leads us to believe the situation will vary in the future. Quite the contrary. It is likely that if the situation remains unchanged, the problem — far from disappearing — will worsen in the short term. We know, through practice and theory, that this risk lies in the decision to ban drugs. The illegal status granted to drugs is in the long run — and almost by definition — contradictory to the desire to reduce the public risks resulting from drug trafficking and the private risks resulting from its consumption. Theory as well as common sense tell us of the consequences of banning a substance that has a market: The black market and corruption. In sum, a general degree of illegality and the waste of scarce resources in a useless effort to fight the problem. This happened once with alcohol, and is quite likely to happen with tobacco.

The tactic of prohibiting will not be very successful if excessive repression is implemented, which will be very costly to the civilian society. There are examples of this in other societies. However, they are repulsive to a society like ours which strives to reach a reasonable balance between collective interests and the rights of the people. Thus, the time has come to tackle the drug problem without prejudices, in a realistic and imaginative manner, admitting that solutions are possible at a personal, family, and group level, and not through coercive measures by the state.

Chile: Judge Dismisses 'Operation Albania' Case

96SM0272A Santiago LA NACION in Spanish 4 Apr 96 p 13

[Article by Pedro Vega]

[Text] Without anyone being found guilty or any criminal charges filed, a military tribunal yesterday dismissed the proceedings opened as the result of the deaths of 12 persons on 15 and 16 June 1987 in various locations of Santiago. The case known as "Operation Albania" involved former agents of the now dissolved CNI [National Intelligence Center].

In a 24-page ruling, the military judge, Brigadier General Emilio Timmermann, and Lieutenant Colonel (J) Sergio Cea closed definitively the case involving the deaths of Recaredo Valenzuela, Patricio Acosta, Juan Waldemar, Wilson Henriquez and Julio Guerra. In his ruling, the judge stated that "in the opinion of the court and based on the merits of the proceedings, these facts in no way constitute a crime, inasmuch as the National Information Center personnel, acting in their capacity as public officials, performed their duties in compliance with orders emanating from the court."

With respect to the other seven persons who were shot to death in the commune of Conchali, the military judges agreed to close the case temporarily "in accordance with the provisions of Article 409, paragraph 2, of the Code of Criminal Procedure, relating to the crime of unnecessary violence causing the deaths of Jose Valenzuela Levi, Elizabeth Escobar, Manuel Valenzuela, Patricia Quiroz, Ester Cabrera, Ricardo Rivera and Ricardo Silva."

Endorsing the argument of confrontation and therefore contradicting the original ruling of the Military Tribunal's original ruling of "qualified" homicide, Military Judge Emilio Timmermann writes: "In the opinion of the judge pronouncing judgment, the violence unleashed bears no relationship, based on the merits of rulings, to the force employed, even though it has been established that the persons who died there did belong to the Manuel Rodriguez Front, a subversive group to which we have referred in the body of this resolution, and even though those persons were in possession of weapons suitable for repelling or avoiding the legitimate arrest which security personnel were to make."

Prosecuting attorney Nelson Caucoto described the ruling as "unforeseeable in terms of its effect and *ex profeso* issuance in responding to the petition of the special magistrate requested by the Chamber of Deputies, a matter which the Supreme Court will soon have to resolve."

With respect to the resolution which contradicts the previous ruling by the military tribunal, the attorney said it was of extreme importance "that the military judge, acting on his own, has gone against the higher court which the Military Tribunal is, the very court which in November 1995 ruled unanimously that acts of qualified homicide had indeed been committed."

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Chile: Risks of Unequal Income Distribution Noted

96SM0272D Santiago LA NACION in Spanish 19 Apr 96 p 5

[Editorial: "Income Distribution: A Pending Task"]

[Text] One of the effects of the profound crisis and the marked adjustments that have confronted Latin American countries, including Chile, over the past decade has been a wide-ranging redistribution of income that has accentuated the prevailing inequality in the region. Colombia and Uruguay are the only exceptions.

The subsequent recovery in growth starting in 1991 has further mitigated the inequality in these two countries, while in the others, the regressive indices have stayed the same or risen, according to a recent ECLA report that evaluates the region's economic performance for the past 15 years.

The problem is of concern to many. In analyzing the country's situation two days ago, Chile's minister of finance recognized that the unequal distribution of income persists as one of the main weaknesses of the national economy. He went on to note that the government has concentrated its efforts in this area. In addition, Alberto Etchegaray, chairman of the National Council for the Eradication of Poverty, recently stated that after Brazil, Chile has the worst distribution of income in Latin America.

The processes of productive transformation underway in most of the countries in the region, in a context characterized by a greater influx of new foreign capital (except during the period of uncertainty caused by the Mexican crisis), a drop in foreign interest rates, a decline in service on the debt and, in some cases, an improvement in the ratio of trade prices, have made it possible to achieve a partial reactivation of economies in the region. According to ECLA data, between 1991 and 1994, the regional GDP rose 3.6 percent on the average, a rate far superior to that recorded during the previous decade.

In other words, Latin American economies have grown, albeit not sufficiently, while at the same time achieving greater stability in prices and reducing the rate of inflation. The latter task still poses enormous challenges.

Nevertheless, as indicated by the performance of these countries in recent years, neither growth alone, however high and sustainable it may be, nor a lower rate of inflation can, in and of themselves, ensure the prevalence of greater equity in the distribution of income. The existence of macroeconomic balances within a context of expansion of the GDP constitutes a necessary but insufficient condition for moving forward in this area.

As ECLA points out, despite their emergence from the crisis of the 1980's, indicators of equity in numerous countries in the region have not yet returned to their previous level. In addition, while transformations aimed at adapting the economies to greater openness to the outside do generate opportunities for the productive sectors, they also pave the way for various kinds of danger.

The changes also allow one to perceive the risks more clearly. There is greater heterogeneity between the big companies involved in modernization and those lagging behind. This in turn has a clear correlation in the scant generation of more productive jobs and the growing proportion of the work force that is unemployed or assigned to unproductive work. The gap is also widening between what skilled and unskilled workers earn. All of which helps to maintain—and to a degree that is disturbing—the inequality of income in Latin America.

Chile: Deputies Submit Bill on Military Service

96SM0272B Santiago EL MERCURIO in Spanish 6 Apr 96 p C3

[Text] Valparaiso—Deputies from the different benches that comprise the Coalition of Parties for Democracy have submitted to the Chamber's Reporting Office a bill that would make conscientious objection a legitimate cause for exemption from compulsory military service.

The matter is taken up superficially in a report drafted by the Chamber's Defense Committee, which was approved by a broad majority of the body (47 to 12, with 3 abstentions). This report recommends that recognition of the issue in national legislation should be the subject of a study that would take the international legal framework into account, inasmuch as consideration is given to it in the Universal Declaration of Human Rights and various UN resolutions.

The new mandate which the Chamber gives to the Defense Committee to continue, within a period of 120 days, its study of various issues relating to compulsory military service includes a more in-depth analysis of conscientious objection as grounds for exemption from military service, an issue debated internationally.

Another aspect to be studied more thoroughly by the Committee in question relates to the complete professionalization of the Armed Forces, which issue was analyzed in the report approved by the Chamber and rejected. Its rejection was based on the argument that the military system currently in place is the one best suited to the country's needs, particularly from the economic standpoint, because of the high cost involved in professionalizing the Armed Forces completely and because the required conditions do not currently exist.

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The third point to be studied by the Defense Committee more in depth, inasmuch as the report did not examine the issue thoroughly, is how better to protect the rights of recruits.

The bill introduced by the deputies from the party in power would recognize conscientious objection based on which one could refuse to bear arms for religious, moral or philosophical reasons.

It states that individuals who, when called upon to perform their military service, invoke conscientious objection in order to be exempted from their obligation could not at a later date join any armed institution such as the Carabineros or Investigative Police or participate in any service that would require the use of weapons. Nor could they request permission to own them.

In listing the grounds for their proposal, the bill's sponsors state that conscientious objection is recognized in a UN resolution which the military government of Chile has approved.

In the study of compulsory military service made by the Defense Committee, a study resulting in a report containing several recommendations, the issue of conscientious objection is analyzed. The study recognizes that the Armed Forces accept it partially and in specific cases.

Report

The Defense Committee report approved by the Chamber of Deputies suggests maintaining the compulsory nature of military service with certain modifications aimed at rendering the current system more flexible and granting certain incentives that would motivate young people to fulfill their obligation to serve their country.

In approving the report, the Chamber opposed "alternative" civil service, deeming that the necessary conditions do not exist in our country and concluding that such a response would not be suited to the specific needs of national defense.

The changes proposed in compulsory conscription include motivation based on appropriate incentives, providing for an initial callup for those who wish to volunteer for military service followed by a second compulsory callup. The latter would occur only if the necessary quota was not filled by the first, since only 25 percent of all young people who enlist each year are drafted for military service.

It is also suggested that candidates be allowed to choose the branch of service that they prefer, along with the geographic area to which they would be sent. It is also proposed that those in the tenth grade postpone their military service until the following year.

Voluntary military service for women is also suggested.

The Defense Committee report was unanimously approved by its members, as a result of which many were surprised that opposition arose when the issue was debated on the floor.

Chile: Study on Situation of Pehuenches Issued

96SM0272C Santiago EL MERCURIO in Spanish 8 Apr 96 p C7

[Article by Pilar Espinosa]

[Text] A pessimistic diagnosis of the situation of the Pehuenche communities in Alto Biobio was the conclusion of a year-long study completed by a team of Concepcion University research scholars. The study warns that if the government fails to grant the area special emergency treatment, the Pehuenche culture is doomed.

"The situation in Alto Biobio is far more critical that what is occurring in Lota, the difference being that the Pehuenches have no political influence at all and are therefore abandoned," said Claudio Gonzalez, who holds a doctorate in sociology and who headed the team of scholars that included Santiago Araneda, Jeanne Simon, Uber Alberti, Guillermo Henriquez and Lionel Zuniga.

The study cost $18 million and was officially submitted to the regional director of CONADI, Juan Aninir Pichun, for his evaluation. It is the culmination of 3,733 individual interviews and an unspecified number of field visits, meetings with families and more general meetings with the seven communities in Alto Biobio: Callaqui, Pitril, Caunicu, Malla Malla, Trapa Trapa, Butalelbun, Quepuca Ralco and Ralco Lepoy. Some 5,500 persons live in the area in communities made up of from 120 to 180 families each, occupying some 64,000 hectares.

One of the study's conclusions points to the existence of an absolutely inadequate, discriminatory system of education that offers no possibility of work and that consequently generates serious problems of illiteracy and alcoholism in entire communities.

Twenty-five percent of the population over the age of 10 is illiterate, a very serious situation when one considers the fact that the national average is 5 percent. Among women, the rate is 33 percent.

With respect to income, 75.9 percent of the people do not have a fixed monetary income and 95 percent of those who do make under 50,000 pesos. Some 30.4 percent receive government subsidies. Other data collected by the research team show that 90 percent of the housing of the Pehuenches is inadequate, with

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99 percent having no running water, 96 percent no electricity and 33 percent simply going to the bathroom outdoors.

Alcoholism is another serious problem of the Pehuenche community. Researchers attended meetings held at 0900 hours in the morning with the entire community, including the children, already drunk. This problem particularly affects the community of Callaqui, where income is derived from the indiscriminate cutting of the native forest and where the people are given priority for construction jobs working on the Pangue Dam.

Proposals made to solve these problems and improve the quality of life of the Pehuenche people will depend on solving the problem of land ownership in Alto Biobio, the study concludes. It goes on to state that the government must earmark resources for the recovery of ancestral territory, giving the area special treatment as a cultural reserve.

Colombia

Colombia: Pardo Comments on U.S. Visa Cancellations

PA1705043196 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0255 GMT 17 May 96

[FBIS Translated Text] Today's issue is the U.S. Government's decision to suspend the U.S. visa of prominent Colombians, like Emilio Lebolo Castellano, president of the National Directorate of the Liberal Party.

It has been said that this is U.S. Government interference in the country's decisions. It is like saying that the U.S. visa will be withdrawn from whoever votes against President Ernesto Samper.

In Cartagena, Foreign Minister Rodrigo Pardo today characterized as untimely the suspension of U.S. visas to several Colombian officials. He said that considering the situation in Colombia, this suspension represents an intervention that his government cannot accept. He said: The truth is that the United States is exercising its sovereign right to decide who can enter that country.

Amado Gutierrez, a former State Council magistrate, denied that the U.S. Government has canceled his visa to that country. Gutierrez said that the U.S. Consulate in Bogota has confirmed that the U.S. visa has not been taken away from him or his family.

[Madrid EFE in Spanish at 0055 GMT on 17 May in a Cartagena, Colombia datelined report adds: "Regarding the visa suspensions, Foreign Minister Pardo noted: 'I am very concerned with the untimeliness of this measure and the way in which it has been announced. It seems to me that the moment that has been chosen and the way these announcements are being made have repercussions on Colombia's domestic affairs and we cannot accept this meddling.'

"Pardo said he hopes 'to be able to discuss this issue' with U.S. Ambassador Myles Frechette. He added: 'Relations between Colombia and the United States are going through a bad patch at the moment' because that country 'wants it that way.'"]

Colombia: Envoy to U.S. on Comptroller's Visa, Resignation

PA1605163196 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 16 May 96

[Telephone interview with Carlos Lleras de la Fuente, Colombian ambassador to the United States, in Washington, by Dario Arizmendi and Judith Sarmiento in Santa Fe de Bogota; from "Caracol's 0600 to 0900 Newscast" — live]

[FBIS Translated Text] [Arizmendi] Dr. Lleras, good morning.

[Lleras] Good morning, how are you?

[Arizmendi] Did you meet yesterday with the U.S. ambassador to Colombia?

[Lleras] No, I have not met with him; we talked, and we will probably talk again tomorrow.

[Arizmendi] What information do you have, Mr. Ambassador, on the revocation of Comptroller General David Turbay Turbay's U.S. visa, revocation which is officially known throughout Colombia?

[Lleras] None, none whatsoever. That information has not been published, and I cannot say if the U.S. Embassy has received any notification from the Department of State.

[Arizmendi] Are these revocations unilaterally and individually made? Have they not been officially approved?

[Lleras] No, no. You know that each country has the right to allow or not allow the entry of foreigners into its territory. So, it is a unilateral decision each country makes.

[Arizmendi] What are you going to discuss with Mr. Myles Frechette when you meet with him?

[Lleras] Well, we meet every time we are in any of our workplaces to assess the situation and the cases pending in the two countries' agendas.

[Arizmendi] What can you expect from the U.S. Government? Any development such as retaliation measures or economic sanctions dealing with the decertification?

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[Lleras] No, I do not believe that anything of this nature will take place. We are still talking about this issue.

[Arizmendi] Have you resigned? Have you announced your return to Colombia in June? When will you do it?

[Lleras] I have not resigned; I resigned [words indistinct] I am going on vacation starting tomorrow. I will go to Europe for some days, will be back in mid June, and will be in Santa Fe de Bogota by late June.

[Sarmiento] Dr. Lleras, yesterday's issue of LA PRENSA reported that the problem was that your resignation had not been officially accepted, that Colombia had not obtained authorization for new ambassadors to Washington and Italy, and that this was why Dr. Plinio Apuleyo Mendoza could not leave his post immediately. Does this report have some truth in it?

[Lleras] No, none whatsoever. The president already accepted my official resignation [words indistinct] it is a diplomatic custom. As I resign, the charge d'affaires, the highest-ranking official at the embassy, will be left in charge.

[Arizmendi] Is that Dr. Pizano, Dr. Lleras?

[Lleras] Dr. Diego Pizano must be returning to Colombia soon. He came for a limited period of time. So, the next highest-ranking official at the embassy is Mauricio Echeverri.

[Arizmendi] Will he be left in charge thus?

[Lleras] If he is at the embassy at the time, as will probably be the case, he will be left in charge. He is the advising minister [words indistinct].

[Arizmendi] Has the Colombian Government made any consultation to appoint your replacement, Dr. Lleras?

[Lleras] No.

[Arizmendi] So you are returning by late June, and you will devote yourself to politics, will you not?

[Lleras] No, no, no. I will keep a temporary low profile.

[Arizmendi] How long will you keep this temporary low profile?

[Lleras] I do not know; we will see. I believe that we must take a respite from public service, which I believe is truly hard.

[Sarmiento] Dr. Lleras, at this time when the country needs the wisdom of so many people to overcome the crisis we are experiencing, is keeping a low profile the best thing to do for you or for the country?

[Lleras] I do not know; we have to assess all this when I am there. So we will look into this as soon as I return to Santa Fe de Bogota.

[Sarmiento] You were very kind, Dr. Lleras.

Colombia: Comptroller General Reacts To U.S. Visa Cancellation

PA1605164696 Santa Fe de Bogota EL TIEMPO in Spanish 16 May 96

[Received via Internet]

[FBIS Translated Excerpt] Thirty-two days after the United States canceled the visa of Attorney General Orlando Vasquez Velasquez, who is currently under detention, the Clinton administration authorized the U.S. Embassy in Bogota to definitely revoke Comptroller General David Turbay Turbay's visa.

The decision against Turbay was made by the State and Justice Departments based on the accusations made by former Cali cartel accountant Guillermo Pallomari, who points to the comptroller as one of the beneficiaries of the remittances made by Miguel and Gilberto Rodriguez Orejuela.

When notified about the U.S. decision, Turbay issued a communique stating that "as a convinced democrat, I declare that I respect and assume with a clear conscience the U.S. Government's domestic decision to suspend my visa to enter that country."

"Nevertheless, the national and international community should have clearly in its mind that I will use all my rights to clarify matters and obtain full justice in this case," he said. [passage omitted on background information]

This is the comptroller general's communique:

"As a convinced democrat, I declare that I respect and assume with a clear conscience the domestic decision by the U.S. Government to suspend my visa to enter that country.

"Nevertheless, the national and international community should have clearly in its mind that I will use all my rights to clarify matters and obtain full justice in this case.

"Colombian justice is facing the greatest challenge it has ever had to face in all its existence as an institution. During all this jagged affair, one of our legislation's cornerstones has been the principle of due process, a heritage that does not expire in liberal Western democracies, and that was reaffirmed by the French and American Revolutions at the end of the 18th century.

"Therefore, since no citizen has the right to elude the possibility of being defeated in a trial, neither should any citizen be forced to accept hasty sentencings.

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"Invoking the right to counsel, I will task a team of U.S. lawyers to defend my honor and the right to be able to enter, with my head high, that vast country of liberty, democracy, and equal opportunity.

"David Turbay Turbay

Comptroller General of the Republic."

Colombia: Congress Suspends Activities Until Case 8000 Resolved

PA1705023996 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 16 May 96

[Report by Alberto Medina Lopez; from the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision in Spanish at 0000 GMT on 17 May]

[FBIS Translated Text] The Colombian National Congress suspended lawmaking activities due to the political crisis. Congressmen of all the political parties agreed not to discuss any topic until President Ernesto Samper's situation is resolved at the Chamber of Representatives.

[Medina] The National Congress will remain like this until the plenary session of the Chamber determines President Samper's fate.

[Begin recording] [Conservative National Directorate President Jaime Arias Ramirez] This is absolutely not the appropriate time to discuss important bills like the financing of political parties, constitutional reforms, etc. There is too much tension at the National Congress. Everything revolves around the case against the Colombian president. This legislative session has been nearly lost.

[Liberal Party Senator Gerardo Dominguez] Some technical matters deserve continued attention. The agricultural sector deserves the attention as well as the export sector. [end recording]

[Medina] In addition, Liberal, Conservative, and independent congressmen agreed to summon the main figures of Case 8000 to a public debate while the Chamber makes its decision according to the law. On that day, the Congress will again [word indistinct].

[Begin recording] [Arias] The Chamber will mainly make a juridical examination of a criminal nature. I believe that the country needs to hear the various parties express their own opinions about Case 8000.

[Dominguez] We need to struggle to maintain a political debate but according to the law. [end recording]

[Medina] Until this takes place, every other technical commission will meet but only to hold discussions.

Colombia: Accusations Committee Barred From Sentencing President

PA1705020296 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 16 May 96

[Report by Reynaldo Quiros; from "The Latest News"]

[FBIS Translated Text] The Constitutional Court has just announced an important decision regarding Case 8000 at the Chamber of Representatives' Accusations Committee. The high court has stated that the Accusations Committee cannot convict or acquit the president. Only the plenum of the Chamber of Representatives can make such a decision, that is, to hand down a sentence on the president for whatever charges.

In addition, the court has ruled it constitutional that the Chamber of Representatives or the Senate is accountable to the Supreme Court for breach of trust in the event that they decide at any time to refrain from filing criminal charges against the president or any privileged official, with enough grounds for a criminal investigation.

Constitutional Court President Carlos Gaviria Diaz explained today's high court decision:

[Begin recording] [Gaviria] The Accusations Committee can carry out certain investigative work or gather evidence, and it must draft a report that requires the approval of the chamber plenum. In other words, the Accusations Committee cannot decide to order the cancellation of an inquiry or file charges before the Senate. Only the chamber plenum can do this.

[Quiros] With respect to the crimes, who determines the steps to follow?

[Gaviria] Well, what will happen is that an inquiry on the president can be started, for example, for charges of either dishonorable behavior [indignidad] or common crimes. If the inquiry stems from dishonorable behavior, the same procedures are followed, because the chamber is charged with deciding if it accepts the filing of charges before the Senate. If charges are filed for dishonorable behavior, we are looking at a typical trial with constitutional responsibility, a typical political trial that could conclude with a sentence of acquittal or conviction.

However, if we are talking about filing constitutional charges stemming from common crime, the following is possible: If the chamber plenum decides to file charges, they will be filed before the Senate. The Senate can either accept or dismiss the charges.

If accepted, following a procedure where the Senate does its own probe, the Senate can decide to pass the case on to the Supreme Court for that court to rule on

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the president's criminal responsibility stemming from the committing of common crimes. [end recording]

Colombia: Accusations Committee Head Respects Court Ruling

PA1705020196 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 16 May 96

[From "The Latest News" newscast]

[FBIS Translated Text] [Announcer] A ruling that the Constitutional Court handed down this afternoon specifically states that the Accusations Committee of the Chamber of Representatives cannot disqualify itself before issuing a ruling on President Samper's juridical situation, and that a decision either in favor or against President Samper should be made by the plenum of the Chamber of Representatives. Here is Javier Contreras:

[Contreras] Accusations Committee Chairman Dr. Heyne Mogollon is our guest at this time. What do you think about the Constitutional Court's ruling?

[Mogollon] This decision is fully in keeping with constitutional regulations regarding this kind of trial of the president of the Republic. It is also in keeping with a new law that was approved and with Law 273 of 1995. The investigative committee is not empowered to decide whether to accuse Samper or to file away the investigation. Only the Chamber plenum can decide this.

We are simple evidence collectors; we issue draft resolutions that the committee should approve, and these resolutions must go through the Chamber plenum. This was not the case in the past when decisions were made, for example, to file away the investigation and that was the end of it. What we could call a higher consultation body did not exist. I think that this decision clarifies and reconciles all constitutional and procedural regulations. I am talking in particular about Law 5 and Law I-273 of 1996.

[Contreras] Dr. Mogollon, this confirms what is stated in a new law that lifted confidentiality of proceedings. This law specified that the plenum of the Chamber of Representatives should issue a ruling regarding President Samper's trial.

[Mogollon] This is very clear. This applies to an eminently juridical process and to any process related to ethical and moral values. In other words, to any crime that the president of the Republic could have committed while serving in that capacity. I think that this ruling of the Constitutional Court is very timely; it clarifies situations and leaves no doubt.

It established that the committee may collect evidence, but it cannot make a decision, it cannot rule on the situation of the president of the Republic. This has been said before. I think this decision is in keeping with the spirit of the law and of the Constitution.

[Announcer] Dr. Mogollon, please listen to a report by (Reinel Belen) from the Constitutional Court:

[Belen] Yes, Victor. The Supreme Court of Justice has just ordered a preliminary investigation of Dr. Heyne Mogollon for having allegedly committed the crime of omission [prevaricato por omision], because many questions were left out of the inquiry of President Ernesto Samper Pizano. Certain questions were not asked. That is the charge filed at the Penal Chamber of the Supreme Court of Justice. A preliminary investigation was ordered for the alleged crime of omission for failing to question the head of state on certain issues.

[Announcer] Dr. Mogollon, what is your opinion on this ruling by the Supreme Court of Justice?

[Mogollon] It is natural. I have always been very respectful of judicial rulings, and above all those handed down by the Constitutional Court, Council of State — which is actually not a court — and especially the Supreme Court of Justice. If the Supreme Court of Justice decided to start a preliminary investigation on an alleged crime of omission, I must accept it. I have constitutional and legal rights, as well as other rights, to help me face this situation.

I think that the decisions made by the Supreme Court of Justice must be respected, as those of other courts of the country. Thus, I cannot dodge or criticize a ruling of the Supreme Court of Justice. There is no way I could do that. As soon as the Supreme Court of Justice summons me to give a deposition, I will be there. This will give me an opportunity to exercise my right to defend myself; a right that is specified in penal and constitutional provisions. The court is fully entitled to do this and citizens of this country may complain when they deem we are failing to comply with our duties.

Colombia: Samper Campaign Treasurer To Accept Charges

PA1605234996 Santa Fe de Bogota EL TIEMPO in Spanish 16 May 96

[Received via Internet]

[FBIS Translated Text] Antique dealer Santiago Medina Serna, former treasurer of the "Samper for President" campaign, will accept responsibility for having been involved in illegal enrichment activities and having served as an intermediary to acquire drug-trafficking money for use in the past Liberal campaign.

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Medina told this to the regional Prosecutor's Office in Santa Fe de Bogota in a memorandum in which he asked authorities to allow him to take advantage of the right to pretrial sentencing.

The former treasurer also filed a lawsuit yesterday against Luis Guillermo Nieto Roa, President Ernesto Samper's attorney, and against two of his former drivers who testified at the Accusations Committee of the Chamber of Representatives.

In his request, Medina told the prosecutors in charge of his investigation, that he will accept those charges filed against him by the investigating entity in exchange for the right to pretrial sentencing, thereby obtaining a reduction of one-third of the sentence imposed on him.

The controversial antique dealer became one of the key persons in Case 8000 following the statements he gave at the regional Directorate of Prosecutor's Offices on 28 July of last year.

In his statement, Medina revealed the way in which contacts were made with the leaders of the Cali cartel and the agreements reached for the entrance of drug-trafficking money into his campaign.

Today Medina is waiting for the Prosecutor General's Office to announce the date for the corresponding hearing, with which his process will be accelerated and his sentence reduced.

Moreover, Medina filed charges against Luis Guillermo Nieto Roa and against drivers Humberto Nemojon Pinzon and Ruben Dario Pulgarin — the latter two were witnesses in the process against Samper. He accuses them of slander and perjury.

According to Medina, Nemojon and Pulgarin, encouraged by Nieto, told the Accusations Committee that Medina had reportedly made a series of real estate purchases worth millions.

"The statements made by the drivers are false and ill-intentioned," Medina said. He added that Nieto perjured himself with those statements when he claimed that Medina's assets were increased with the money that entered the presidential campaign.

Colombia: Samper Describes Defense of Ministers as 'Duty'

PA1705001996 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0440 GMT 16 May 96

[Report by Carlos Catano Iguaran]

[FBIS Translated Text] President Ernesto Samper Pizano has said that he is not hindering the work of the justice system by defending those members of his cabinet who are being questioned by the Prosecutor General's Office. He also said that the country is tiring of the daily spectacle being presented regarding the legal fate of each one of the ministers implicated in Case 8000.

[Begin Samper recording] I do not think these actions are right or suitable for the country. No one is hindering the decisionmaking of the justice system. Simply, as the president, I believe that I have the judicial, constitutional, and moral duty to urge Colombians to calm down and avoid turning this judicial process into a spectacle, which somewhat involves or toys with the honor and stability of individuals and families. [end recording]

Finally, President Samper deemed inappropriate and highly detrimental for the country the fact that the government's adversaries and a sector of the media have turned the fate of his three ministers into a game. He added that despite the criticisms, he will continue to defend the ministers because this is a president's constitutional and moral responsibility.

Colombia: Defense Minister on War Bonds, U.S. Troops at Border

PA1605192296 Medellin EL COLOMBIANO in Spanish 11 May 96 p 8D

[FBIS Translated Text] Santa Fe de Bogota — Defense Minister Juan Carlos Esguerra Portocarrero has announced that the possibility of issuing war bonds to finance the supply and purchase of equipment for the Armed Forces is being evaluated. He explained that the private sector would pay for these bonds.

He pointed out that, in order to face the current public order difficulties, it is essential to raise minimum resources to strengthen and put into operation counterguerrilla battalions, mobile brigades, and river patrol boats, and to repair some air force planes and helicopters. He insisted that people must provide resources and that various alternatives, such as formulas to issue war bonds that the private sector would purchase, are being analyzed.

The Panama Case

As for the likely intervention of the U.S. Southern Command in military operations at the border between Panama and Colombia, Minister Esguerra maintained that the Southern Command itself categorically denied that it was invited to do so. He affirmed that U.S. troops are not going to accept the possibility of patrolling the border with Colombia, because, among other reasons, the regulations between the United States and Panama forbid them to do so.

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He also said that it was established, through diplomatic means, that Panama had not extended an official invitation to the U.S. troops to patrol its borders.

Military Promotions

The defense minister also referred to the changes President Ernesto Samper outlined to approve military promotions. Esguerra pointed out that a bill establishing the criteria for promotions as something new for the military career was drafted and forwarded to Congress. He added that the military career is being redefined and that the necessary regulations to determine how, who, and when to conduct proper evaluations will be proposed later.

Regarding this issue, Army Commander General Harold Bedoya a few days ago said that "Army promotions were well regulated according to brave actions giving credit to the military personnel for advancement, training abroad, and positions and posts within the military organization."

Minister Esguerra explained that what Gen. Bedoya said fully describes what is happening now, but that this issue has been carefully analyzed at the bosom of the armed forces and the ministry; and that what the government is suggesting to Congress is that, in addition to seniority, merits and recognition of the work that has been done be taken into account for promotions. "The officer's behavior will be taken into consideration for a promotion," Esguerra added.

Colombia: Samper Issues New Internal Disturbance Decree

PA1605203096 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1910 GMT 16 May 96

[Report by Gloria Tisnes from the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 1910 GMT 16 May]

[FBIS Translated Text] President Ernesto Samper has just issued a new internal disturbance decree that will give the authorities more room to act in the special public order areas. Here is Gloria Tisnes from the General Santander School.

[Tisnes] President Samper has announced here at the General Santander School the creation of new special public order areas. With this in mind, a new internal disturbance decree was issued today:

[Begin Samper recording] This new decree is designed to give the authorities greater control over the people in these areas as well as over actions taken by the rebels for their own benefit, including their disguising themselves to infiltrate the civilian population. [end recording]

[Tisnes] In his speech, the president asked for the community's cooperation in putting an end to violence and the support of governors and mayors to enforce the laws stipulated in this new decree.

Colombia: ONG Reports Massacres, Threats to Social Leaders

PA1605182396 Madrid EFE in Spanish 0150 GMT 16 May 96

[FBIS Translated Text] Santa Fe de Bogota, 15 May (EFE) — The American chapter of Human Rights Watch today reported that 18 social leaders of a region in northern Colombia have been assassinated by "death squads" in 1996. The organization asked the Colombian Government to protect the lives of 20 others who have been threatened.

The nongovernmental organization (ONG) today addressed a letter to the government reporting that the assassinations of teachers, peasants, municipal authorities, and local leaders occurred in Sucre Department, on the Caribbean coast, during the first four months of this year.

The ONG says it has not heard of arrests so far in relation to these deaths and voices its concern over the reported complicity, if not direct participation, of public force members in the killings.

Human Rights Watch says it has been informed that in Sucre the "death squads" — paramilitary groups that fight guerrillas — "work alongside security forces and that sometimes the two patrol together."

In the document, the ONG says the same armed groups have threatened to kill 20 people, including teachers, newsmen, peasant leaders, human rights defenders, leftist politicians, and members of women's associations.

For this reason, Human Rights Watch has asked the government to take urgent measures to protect the lives of these people and the exercise of their public activities.

At the same time, the humanitarian organization has requested an immediate investigation of the assassinations and threats and that, if culprits are found, to guarantee that they should be tried impartially and publicly.

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Colombia: Municipal Resources Used for Rebel Activities

PA1605215496 Santa Fe de Bogota EL TIEMPO in Spanish 14 May 96

[Received via Internet]

[FBIS Translated Text] President Ernesto Samper yesterday warned in a national mayors meeting in Santa Fe de Bogota that government resources are being used in several municipalities to finance subversive activities or to stage regional destabilization actions.

In that same event, Joaquin Valencia, director of the Federation of Municipalities, stated that the political crisis the country is experiencing has begun to polarize local administrations and warned that the political crisis cannot be called a social conflict.

Samper said: "The government will not allow the continued use — as is regrettably occurring in some municipalities of the country — of government resources to finance subversive activities or to strengthen, through social work financed by subversive groups, the action of guerrilla groups in destabilizing democracy."

After affirming that these resources must be allocated in agreement with the communities and must be part of local development plans, Samper remarked that the government will impose severe penalties on the "confirmed use of funds for financing activities against public order."

Some mayors had misgivings about the president's warning and even insisted on the need to hold regional peace talks.

Chiscas (Boyaca Department) Mayor Pedro Vicente Ruiz said the president adopted an overall stance and has not taken into consideration the situation of many mayors living in strife-torn areas.

"I think the president should grasp better the possibility of holding regional and municipal dialogues to solve the problems we have to endure every day on account of the influence of guerrillas and paramilitary groups," he stated.

In his address, the president added that the government will not close any police precinct in the country so long as the mayors pledge to provide safe installations to house the agents of the law and order and the community supports them.

"We are going to maintain a police presence, not just within precincts but also with new mobile units that allow us to reinforce operations in specific cases, as we are now doing with the Army's mobile units," the president said.

The local leaders rejected this proposal, since they warned that the state has the duty to safeguard the well-being of its citizens and not to use the civilian population as bait for criminals.

"What is a mayor with three policemen and 100 guerrillas going to do?" asked Barbosa (Santander Department) Mayor Marcos Cortes. "There are small municipalities cornered by guerrillas."

In addition, Quimbaya (Quindio Department) Mayor Maria Luisa Londono said: "The roles are being reversed now; civilians without resources are being asked to protect the police."

To conclude, President Samper announced that he will shortly visit the Uraba region within the national reconciliation program.

"What is happening in Uraba is not a typical clash between the state and outlaw sectors but a war over territory and power in which the state is practically standing in the middle of a war among armed outlaw groups," Samper

Ecuador

Ecuador: Candidates Close Electoral Campaigns

PY1605152896 Madrid EFE in Spanish 0907 GMT 16 May 96

[By Gonzalo Solano]

[FBIS Translated Text] Quito, 16 May (EFE) — The candidates with better chances of winning the 19 May elections in Ecuador have chosen the most populated town of the country, Guayaquil, to organize massive rallies at the end of their electoral campaigns.

Candidate Jaime Nebot, of the Social Christian Party, who the polls show as firmly maintaining his first place lead in terms of voters' preference, concluded his electoral campaign in a downtown area of Guayaquil, a city in which approximately 20 percent of all Ecuadoran voters live.

Speaking to thousands of followers on a broad avenue in northern Quito [as received], and under a heavy rain, Nebot last night invited his political competitors "to eradicate political hatred and sectarianism" when requesting the support of his fellow citizens.

If some of the nine presidential candidates do not obtain more than 50 percent of the votes — and the polls indicate that it is quite improbable any candidate will do so — a runoff election between the two candidates receiving the most votes will be necessary to decide on the future president.

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Candidate Abdala Bucaram, of the Ecuadoran Roldosist Party, who is intensively contesting second place with businessman Rodrigo Paz and journalist Freddy Ehlers, also chose Guayaquil to close his campaign, where he received cheers and vivas from thousands of people in the heavily populated Cinco Esquinas [Five Corners] area.

Nebot and Bucaram are originally from Guayaquil, and they believe that this city, the most populated one in the country, with slightly more than 2 million inhabitants, is their strongest electoral support base.

Ehlers, candidate of the indigenous organizations and of a coalition of broad popular sectors, chose to end his electoral campaign in San Francisco Park, in the Quito colonial downtown area, where he said that the results of the elections "will be a big surprise."

Finally, Paz decided to close his campaign in Guayaquil, although political observers believe that the candidate does not have many chances in that area.

Independent candidate Ricardo Noboa closed his campaign in the most populated zone in southern Quito, where he repeated that should he win the elections, he will fight the corruption that is undermining the country and earmark large funds for state investment in education and health.

On Wednesday, a large part of Quito was overburdened by long caravans of hundreds of vehicles that showed support for Nebot, former Air Force General Frank Vargas, or leftist Juan Jose Caastello, who claimed to be the future presidents.

Vargas, who has a minimum of the intended vote, closed his political campaign in the town of Portoviejo, on the Ecuadoran central coast.

Castello chose Quito to end his campaign, while former Defense Minister Jose Gallardo, who is also running for president, did not organize any rally because he is recovering from health problems.

Nor did Independent Jacinto Velazquez participate in any of the rallies to close the electoral campaign period because, according to political observers, he had a limited budget for the campaign, amounting to approximately $20,000, most of which represented contributions from friends.

Velazquez is considered the Quixote of Ecuadoran politics because he has a minimum electoral fund and does not have the support of political parties or social organizations. Nebot represents the other side of the coin because, according to several sources, he has handled a campaign budget of $4.5 to $5 million, followed by Bucaram, with $3.5 million, and Paz and Noboa, who earmarked approximately $2 million for the promotion of their respective candidacies.

Similar reports state that Ehlers earmarked $0.5 million for the electoral campaign, Vargas $100,000, and Gallardo and Castello $70,000.

Ecuador: Congress President Calls on People To Vote

PY1605213196 Quito Voz de Los Andes in Spanish 1700 GMT 16 May 96

[FBIS Translated Text] Congress President Fabian Alarcon has called on the people to vote in the general elections next Sunday.

[Begin Alarcon recording] I call on all political parties, candidates, and political leaders to maintain the environment of tranquility and respect which has prevailed in this electoral process. I urge them to continue to the last minute with their electoral campaign, explaining their programs and projects because this is what the Ecuadoran people want to hear. I sincerely believe progress has been made in this electoral process because there have been no events to lament, as there were in previous elections. I call upon the Ecuadoran people to vote in the 19 May general elections with decision and patriotism, to vote for the candidates they believe are best according to their criteria and conscience. Their vote is important because the future of the country, of their families and children, depend on it. I sincerely believe Ecuador has great hopes on election day, because it is not the beginning or the end of the fatherland, it is the continuation of a great environment of national unity that should allow winners and losers alike to join efforts to reach the great national objectives, the great goals of a country moving toward 2000 that needs great unity in action and spirit. This is why I making this call to all the Ecuadoran people. [end recording]

Ecuador: Indigenous Participation in Elections 'Unprecedented'

PY1605200596 Madrid EFE in Spanish 0910 GMT 16 May 96

[FBIS Translated Text] Quito, 15 May (EFE) — Ecuadoran indigenous organizations will have an unprecedented participation in the general elections on 19 May, through which they aspire to greater cultural and political recognition.

The Confederation of Indigenous Communities of Ecuador (Conaie), which comprises associations that represent the 10 indigenous peoples in the country, has for the first time its own candidates running aside from the traditional parties.

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Luis Macas, Conaie leader and candidate for deputy, told EFE that a great rainbow is the symbol of the indigenous proposal because it "reflects the diversity of nature, like a nature's mirror between the sun and the rain."

Conaie, which wants Ecuador to be recognized as a plurinational and pluricultural state, is participating in the elections within the "Pachakutik"-New Country Plurinational Unity Movement [Movimiento Unidad Plurinacional "Pachakutik"-Nuevo Pais]. This movement is supported by several social and union organizations. Its presidential candidate is journalist Freddy Ehlers.

Macas said: "We are 10 indigenous communities" which "represent 45 percent of the Ecuadoran population" of more than 11 million inhabitants, yet "none of them is considered a community." Macas added: "The indigenous communities must be recognized by the state as historical, cultural, and political organizations."

Macas added that "each of these communities is different," and among other aspirations, "we want our territories, languages, and collective rights to be recognized."

Macas said: "We are on the doorstep of the 21st century yet none of our languages has been recognized. They are spoken clandestinely in the community, in the family, although 30 percent of Ecuadoreans are Quechua speakers."

Of this first incursion into politics the Conaie hopes to achieve "eight deputies in Congress" from a total of 82 members, in addition to other candidates for several provincial and municipal posts.

Macas believes the indigenous organizations proposal does not only favor their peoples, that is within an overall proposal of the New Country movement, which starts from the "maturity" of the social movements which are now proposed "as political alternatives to the parties."

He stated: "The most important thing for us is to consolidate a social basis in our country, comprising sectors of suburban areas, non-indigenous peasants, indians, and workers, with the participation also of the National Women's Front, ecologists, and the Afro-Ecuadoran brethren."

Politologist Jorge Leon told EFE: "Those who have been separated from political participation processes will not be recognized or accepted. I believe this is the most important result of the Conaie participation in the elections."

Leon added: "In the past there was very strong discrimination against the indigenous population, and it would have been inconceivable some 12 years ago for an Indian to be a candidate. Today they will receive the support of non-indigenous people and demonstrate that they are capable of making political decisions."

Jose Luis Jimbiquiti — president of the Shuar and Achuar Federations Association, and member of Conaie and which represents the most important indigenous group after the Quechua community — said: "From the new government our indigenous brethren expect cultural recovery, mutual respect, and respect for our philosophical, political, and religious principles."

The president of this association of this community of the Ecuadoran Amazon region said that in previous elections the political parties "used us as alternatives to the favorites — the Spanish speaking people — but when they reach power they forget the group that supported them."

Adrian Bonilla, professor of the Latin American University of Social Sciences, told EFE: "It will be an important experience because for the first time indigenous organizations have appeared with a speech and more or less their own identity."

He added: "The risk they run is that, once the votes are counted, the result may be less than the population they claim to represent." For this reason Luis Macas is concerned that Conaie "may lose what it has gained as a social organization" through this political adventure.

Freddy Ehlers, who the polls suggest is in second or third place in the vote and thus may face a runoff with the favorite candidate Jaime Nebot, said: "I will govern with the plan of Indian Atahualpa, which is based on the three principles of not lying, not stealing, and not being lazy."

Paraguay

Paraguay: Congressmen Reject Wasmosy's Remarks to Military

PY1605173896 Asuncion ABC COLOR in Spanish 15 May 96 p 3

[FBIS Translated Text] Parguayan President Juan Carlos Wasmosy's remarks to a group of military officers castigating Congress prompted widespread rejection among both opposition and ruling party lawmakers. Meanwhile, the chief executive's official spokesman has indicated that the president would like to listen to the recording of his own remarks before commenting on them. Most lawmakers, however, ruled out the possibility of issuing a congressional statement on the issue.

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Congress President Milciades Rafael Casabianca said that President Juan Carlos Wasmosy's utterances are "unwarranted and do not help achieve good relations between the legislative and the executive branches." He added, however, that one would have to first establish the context in which the remarks were made, and then see whether the president confirms them.

Casabianca indicated that he would like to see journalists also reporting some remarks, sufficient to "make one shiver," that lawmakers sometimes utter against President Wasmosy. The president of the Senate and of Congress recalled some of the labels that deputies and senators repeatedly hurled at Wasmosy: corrupt, dictator, traitor, and others. He added that these charges have become almost commonplace in Congress.

Casabianca stated that the lawmakers are entitled to level charges but they cannot prevent the president from doing the same.

He said that as far as he is concerned, the issue should be viewed calmly. Casabianca explained that whenever controversial statements like the one in question surface, it is best to wait and see whether the utterer amends his statement and explains himself. His initial reaction was that Wasmosy's remarks were "unfortunate."

He also said that he did not want to expound any further on this issue, adding that should it be proved that the recording is precise, and if the president confirmed his utterances, he would say they were most unfortunate.

Gustavo Candia, acting president of the Chamber of Deputies, sarcastically said that President Wasmosy's remarks about congressmen, made when addressing military officers, were "right on the mark."

He went on to say: "I would like to discuss the president's courage and ask him what he was doing prior to 1989 [when Paraguayan dictator Stroessner was toppled]. Where was he while the people were fighting the dictatorship? I also wonder where he was on 23 April [military crisis involving General Lino Oviedo's refusal to accept retirement] while these very same lawmakers he is now castigating were in Congress, a public place, working at that difficult time, helping the citizenry to protect democracy."

Candia added: "We were in Congress. As to courage, I doubt that he has enough to criticize us for lacking it."

He indicated that the chief executive's utterances "are more of the same. It seems that whenever recorders are not in sight, the president gives vent to this kind of bluster."

Paraguay: Wasmosy Apologizes for Remarks on Congress

PY1605181996 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1600 GMT 16 May 96

[FBIS Translate Text] Paraguayan President Juan Carlos Wasmosy apologized to Congress but did not explain the context of the controversial remarks he uttered during his meeting with military officers at the Cavalry Regiment.

[Begin recording] [Reporter Jose Rojas] President Juan Carlos Wasmosy held an impromptu news conference during which he tried to explain the incident with Congress following his meeting with military officers at the Cavalry Regiment. At that meeting, a recorder that had been smuggled in captured Wasmosy's remarks allegedly castigating Congress. Today, Wasmosy apologized but did not expound on the matter.

[Wasmosy] I had no desire, whatsoever, to offend Congress and lawmakers in general. If my remarks did not clearly convey my intentions, I ask Congress and the lawmakers to forgive me.

I believe that tolerance is essential in any democratic system. I would like to point out that I have been more than tolerant, respectful, and patient by stoically enduring the offenses of certain lawmakers, politicians, union leaders, and even journalists.

[Rojas] The president added that upon his return from Buenos Aires, he will be willing to meet with each and every lawmaker to give a detailed account of what he said at the working meeting with military officers at the Cavalry Regiment. [end recording]

Paraguay: Army Combat, Support Units Absent From Parade

PY1605200696 Asuncion ABC COLOR in Spanish 16 May 96 p 8

[FBIS Translated Text] Strangely enough, Army combat and support units did not participate in the independence day military parade staged in front of Government House on 15 May. Nobody explained the exclusion, but it is believed the government did not want to subject the Army to derision by people.

President Juan Carlos Wasmosy presided over the military parade. High-ranking executive branch officials, military officers, accredited diplomats, and special guests were present.

Military schools (the Mariscal Francisco Solano Lopez Military College, the Acosta Nu Military Academy, and the Military Reserves Training Center), police, air

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Force, and Navy units, and foreign military delegations, participated in the parade. The placement of police units right after the military schools was also noteworthy as a sign of recognition of the key role this institution plays.

The absence of Army combat and support units (infantry, cavalry, engineering corps) was noteworthy. There was a lot of speculation about the absence of Army combat and support units. Some said the combat unit members, particularly those of the cavalry, did not want to be subjected to booing and whistling, since it was known that many of them backed the insubordination of General Lino Cesar Oviedo, retired.

Others speculated that the absence of the Army was a sign of friction between the commander in chief and groups within the cavalry, the infantry, and the engineering corps.

Yet another explanation for the Army's absence was that a few colonels are "under investigation" for allegedly handing over to the media Wasmosy's remarks to officers at the headquarters of the 1st Corps, in which he accuses lawmakers of being inept, irresponsible, and other things.

Paraguay: Lawmakers Fail To Attend Independence Day Ceremonies

PY1605175596 Asuncion NOTICIAS in Spanish 16 May 96 p 6

[FBIS Translated Text] Paraguayan lawmakers enacted their recent threats: Most of them did not show up at the official ceremonies marking the 185th anniversary of Independence Day on 15 May, protesting President Juan Carlos Wasmosy's remarks at the headquarters of the Cavalry Regiment. The president had said that the lawmakers were inept, and want to destroy the Armed Forces.

Most of the lawmakers from all political parties — which had reacted angrily to the chief executive's utterances — complied with the political decision not to attend official Independence Day ceremonies.

Only Congress President Milciades Rafael Casabianca and Colorado Party Senators Juan Manuel Cano Melgarejo and Arnaldo Rojas Sanchez attended the Te Deum at the Metropolitan Cathedral on 15 May.

Casabianca lamented the mass absence of his colleagues because the festivities were intended to honor the fatherland, not President Wasmosy.

The two other senators agreed with Casabianca by saying that their colleagues had snubbed the fatherland, rather than the head of state.

The absence of presidents of political parties, including that of the Colorado Party, at Independence Day festivities was also noteworthy.

Peru

Peru: Air Force Officers Arrested in Narcoplane Case

PY1705035596 Madrid EFE in Spanish 0355 GMT 16 May 96

[FBIS Translated Text] Lima, 15 May (EFE) — Three colonels and one captain of the Peruvian Air Force (FAP), among them an aide-de-camp of President Alberto Fujimori, have been arrested by Peruvian officials, who will investigate their involvement in drug trafficking.

Lieutenant Colonel Luis Escarcena Ishikawa, who is President Fujimori's aide-de-camp, and the others under arrest have been suspended of all their activities until the court clarifies the scandal.

The four officers were the crew members of the FAP DC-8 that was to leave for Europe a few days ago with a cargo of 174 kg of pure cocaine hidden in the fuselage.

The identity of the detained was disclosed tonight by the FAP in a communique.

The other officers under investigation are Colonels Oscar Salinas Ortega, Marco Carrion Rondon, and Angel Aguayo Saravia, and retired Captain Pedro Fernandez.

They have all been put under the jurisdiction of the National Antidrug Directorate (Dinandro), which will establish if they will be charged with drug trafficking.

If the Dinandro decides to accuse them, the four officers will be tried in a civilian court, which can give harsh sentences in accordance with the new antidrug laws recently approved by the Peruvian Government.

Peru: Daily on Need To Thoroughly Investigate FAP-Drug Case

PY1605230196 Lima EXPRESO in Spanish 14 May 96 p 30A

[Editorial: "The Narcoplane Scandal"]

[FBIS Translated Text] The discovery of 174 kg of cocaine aboard a Peruvian Air Force [FAP] plane that was going to Europe is extremely serious. It should be investigated thoroughly and those responsible punished in an exemplary manner.

So far there are no details, except that the FAP informed the Callao district attorney and the public through a

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communique about the discovery. The only positive thing about this case is that the FAP decided to disclose rather then conceal it. Doing so reveals its determination to radically end any form of corruption linked to drug trafficking. The fact that the FAP decided not to conceal this case will help to discourage any future complicity with drug mafias.

The case is serious because the Peruvian Armed Forces appear involved with an international criminal gang. The Armed Forces as such are not involved, but they must state precisely who is involved and to what degree. This does not seem to be a case involving low-ranking FAP officers or noncommissioned officers. It is quite unlikely that subordinates or low-ranking personnel would dare ship no less than 174 kg of cocaine abroad. Therefore, it should be established who is truly guilty of this crime.

President Alberto Fujimori said: "It does not matter if officers, generals, or anyone else is involved. Those responsible for this crime will be punished with the full weight of the law. There will be no leniency." And this is how it should be for the sake of Peru's image to finally eliminate this sort of relationship with the drug empire.

Advantage should also be taken to approve laws that will allow antinarcotics police and customs agents to inspect FAP aircraft that, like this one, leave or return from abroad and fly to the interior of the country. Not just because, as it has been disclosed, they constantly transport cargo or passengers, but because one never knows what sort of cargo an aircraft coming from the United States, for example, may bring. The principle applied in Peru since 1990, that the laws and rules are equal for all, should also be applied in this case. There should be no privileged sectors exempt from inspections that are routine for the people in general.

A scandal like this, in which FAP personnel are involved — the branch of the Armed Forces considered less infiltrated by drug trafficking — makes one wonder how the Dinandro [National Antidrug Directorate] — which now heads drug enforcement — can carry out its mission without being tempted by drug trafficking. This is another reason to identify all those involved in this case — including high-ranking officers — and punish them with the maximum weight of the law.

Peru: Arms 'Trafficking' to Ecuador Viewed

PY1105014096 Lima EXPRESO in Spanish
6 May 96 pp A6, A7

[FBIS Translated Text] The specialized Uruguayan bulletin INFORME UNO, which has a restricted yet select circulation, published in its 29 April issue a revealing article entitled "The Flowers of Evil." It refers to the sale of Argentine materiel to Ecuador during the Cenepa Valley war. INFORME UNO, which directed by Luis Pico Estrada, gained access to nothing less than a report drafted by Colonel Hugo Molinari — the Argentine military attache to Quito — on his meeting with Prodefensa Chief Executive Roberto Sassen Van Elsloo; Major General Marco Villa Jaramillo, retired, of the Ecuadoran Armed Forces Joint Command; and three insurance company representatives. The issue under discussion: The nondelivery of guns and ammunition to the Prodefensa company by the Argentine state-owned Military Industries [FFMM].

Among other things this meeting, which was held on 2 April 1996 at the Argentine military attache offices in Quito, clearly proves the consistently denied connection between the Argentine Government, businessman Sassen Van Elsloo and the Ecuadoran military command. This article states that $7 million "vanished" during the transaction. It merits close reading.

The documents cited in the INFORME UNO report center on one basic subject: The trafficking of Argentine guns to Ecuador. They implicate the Argentine Government and top-ranking officials in an extremely serious incident. The defense minister is among them. His recent refusal to resign while Federal Judge Jorge Urso is investigating his responsibilities increases the nightmare.

The document states that about $7 million have "vanished." The FFMM received only $1.5 million for the almost obsolete arms. So where is the rest of the money? No one knows, yet.

If Lieutenant General Martin Balza [Argentine Army chief of staff] was able to punish and dismiss FFMM colonels — as he did a few months ago over some inappropriate remarks — perhaps he would now be interested to learn details of the whereabouts of some of his active officers. One of the reports disclosed by INFORME UNO is addressed to him.

But it is not only the "cash box" of a military group that is at stake in this affair. Argentine Military Affairs Secretary Jorge Baeza, who is a personal friend of [Argentine Defense Minister] Oscar Camilion, is aware of this. So is Planning Secretary Guillermo Etchehoury. He told those who want to hear that he will not go down alone. The defense minister is aware of this: So is Fernando Petrella, who is packing his suitcases to go as Argentine ambassador before the United Nations.

The Argentine Military Attache's Report

The meeting was held at the military attache's office on 2 April 1996 and lasted from about 1200 to 1230. Those

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attending included Prodefensa Chief Executive Roberto Sassen Van Elsloo O.; Gen. Marco Villa Jaramillo, retired, who is said to work for the Ecuadoran Armed Forces Joint Command; and Equinoccial Insurance company representatives Alberto Alcivar Paez (trustee) and Engineer Javier Cardenas Uribe (manager).

1. The issue discussed during the meeting was the nondelivery by FFMM of guns and ammunition to Prodefensa which made the purchase on behalf of the Ecuadoran Armed Forces Joint Command.

2. The aforementioned had earlier met with the Argentine Embassy counselor in Quito, who sent them to this office because they wanted to contact the military attache.

3. These people were received in my offices in view of their rank. In general terms, what the Prodefensa chairman said during the meeting was the following:

a. On 8 February 1995, they received by plane, part of the shipment of FAL rifles (about 4,890) and some 7.62-mm ammunition after the start of the Peruvian-Ecuadoran conflict.

b. These rifles, which had the Argentine seal erased from them, should have been new and the ammunition manufactured in 1994.

c. When the technical report was drafted it was established that 90 percent of the lifespan of the FAL rifles was over, and the ammunition was 10 to 15 years old.

d. Prodefensa had submitted the proper guarantees.

e. After fulfilling this first stage — in light of charges by Peru about this sale and because it was considered unsuitable to continue the delivery — it was decided to suspend future shipments until the situation calmed down.

f. Once the negotiations with the FFMM were resumed, it was reported that it would be unable to return the money that was paid but that it could continue to deliver the purchased merchandise.

g. In March 1996, during subsequent negotiations, the FFMM reported that it could complete the shipments with materiel from another source; such as Russia, Iran, or other countries. The company consulted the Armed Forces Joint Command which rejected the idea. It did state, however, it would accept another type of Argentine-made guns.

h. Prodefensa thought all these problems were due to human error and believed the problems would be overcome if the FFMM would reconsider its position, or the company would be compelled to sue the Argentine Government, because the FFMM is state owned.

i. At the end of March, the FFMM announced that it was unable to return the money or make any further deliveries.

j. The Ecuadoran National Defense Board granted the FFMM a deadline to resolve the situation or it would nullify the contract because the new National Defense Board officials could politically exploit the case (Ecuador is scheduled to hold general elections on 19 May).

k. They said they were not interested in any legal proceedings without exhausting all possibilities and decided to meet with the undersigned.

4. Major General Jaramillo, retired, stated:

a. That he negotiated after the first delivery with Colonel Palleros, who had been involved in the mediation and from whom he had always received unclear responses, beside having been on the receiving end of offensive language during a meeting in September 1995 in Curacao.

b. That he considered it important to expeditiously proceed toward a solution because the members of the National Defense Board wanted to resolve the problem before the presidential elections.

5. Representatives from the Equinoccial insurance company, which insured the Prodefensa company, stated:

a. That if no solution were found, they would have to sue the purchasing company (Prodefensa). This implies submitting evidence which, because of its secret and private nature, would cause serious problems which they were unwilling to create for either Argentina or Ecuador in view of the impact these would have on the current peace negotiations process and the activities of the guarantor countries.

b. That the greatest problem they faced is that they were also at fault because the guarantees, in compliance with the law, had to be enforced within 60 days and the deadline had expired.

c. That the Equinoccial insurance company would accept some solution suitable to both parties within these terms.

6. In general, those present agreed that a meeting with the FFMM members would suffice.

7. At the end of the meeting, Mr. Sassen said he would submit a memorandum containing details on all that had elapsed, and providing possible solutions by the morning of 3 April 1996.

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The Memorandum

1. 30 January 1995: Mr. Roberto Sassen receives from the Caribbean Group Inc. and the Hayton Trade companies an offer for the supply of 8,000 FAL Mk-4 rifles, new from factory in original packages; and 10 million 7.62 x 51-mm cartridges, manufactured in 1994, all manufactured in Argentina.

2. 2 February 1995: Mr. Roberto Sassen receives an official letter issued by the Defense Ministry Military Industries Directorate signed by the general trustee, General Luis E. Sarlenga, and addressed to the Hayton Trade company. This letter confirms they are able to immediately deliver 4,530 FAL rifles and 2 million rounds of 7.64 X 51-mm ammunition.

3. 3 February 1995: It is confirmed they are able to ship 8,000 rifles and 10 million rounds of ammunition. It is stated that 4,350 rifles are available for immediate shipment because the Argentine Army seal had been erased from them. It is explained that the Argentine Army seal will be erased from the remaining 8,000 rifles. They are notified of this in an official letter received from the Military Industries directorate.

The letter adds that 2 million 7.62 x 51-mm cartridges are in Buenos Aires awaiting shipment and that the additional 8 million cartridges are being collected from different brigades nationwide. They recommend the transaction because while the contract proceedings are negotiated and the available materiel is shipped, the remaining amount will be ready by the third shipment.

4. 4 February 1995: The offer is made to the Armed Forces Joint Command.

5. The Armed Forces Joint Command requests a CIF rate and demands an exact definition of the delivery date.

6. 4 February 1995: The offer is made based on what has been established and cables are exchanged. It is established that the delivery time is 72 hours.

7. 6 February 1995: The Armed Forces Joint Command awards the contract to Cesar Torres Herbozo/Roberto Sassen.

8. In view of the special circumstances, the contract is signed on that same date. Meanwhile in Argentina, an Ecuadoran Armed Forces Joint Command envoy inspects the rifles. He observes the rifles are new and inspects some of the ammunition. He established that it was manufactured in 1994. He is informed that the rest of the ammunition shipment was being collected from other regions of the country.

9. 8 February 1995: The bank transfers are made. They covered 100 percent of the cost of the order and transportation.

10. The first shipment was supposed to have arrived in Quito 24 hours after the transfer was received, that is, on 10 February 1995.

11. After six days, the first shipment was made on 16 February 1995. It did not go to Quito but to Guayaquil.

The air freight shipment involved the following:

a. 999 rifles, which at first sight were incomplete. They lacked cleaning sets and bayonets.

b. 860,000 rounds of 7.62 x 51-mm ammunition manufactured between 1977 and 1984.

12. For the second shipment, the Ecuadoran Armed Forces Joint Command envoy again submitted a claim about the ammunition. In view of this, the FFMM representatives forcibly removed him from the airport.

18 February 1995: The second flight arrives in Guayaquil carrying 140,000 rounds of 7.62 x 51-mm ammunition and 2,999 rifles.

It is suddenly established that the ammunition was manufactured between 1982 and 1984, and the rifles again lacked cleaning sets or bayonets.

13. 23 February 1996 [date as published]: The third shipment arrives. This time in Quito. It contained the following:

a) 1,000 FAL MK-4 rifles. Once again without cleaning sets or bayonets.

b) 860,000 rounds of 7.62 x 51-mm ammunition manufactured in 1994.

c) 140,000 rounds of 7.62 x 51-mm ammunition manufactured in 1984, that is, in violation of the contract.

14. 24 February 1995: The fourth shipment is expected, but the plane left Buenos Aires without the shipment as a result of a press scandal that ensued.

15. 24 February 1995: Roberto Sassen is informed that the FFMM is unable to complete the shipment through the same route, same company, and under the same plan. In view of this, it is suggested that it would be wise to wait two weeks to devise a new plan. Mr. Roberto Sassen informs the FFMM that the delivery was late. He warns them that the scandal ensued 20 days after the deadline to fulfill their offer and that the contract has expired.

16. 17 March 1995: Mr. Roberto Sassen and Mr. Cesar Torres H. travel to Argentina.

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23 March 1995: Mr. Roberto Sassen and Mr. Cesar Torres H. meet with Col. Diego Palleros and Luis Sarlenga, the FFMM trustee. During this meeting held at FFMM installations in Buenos Aires, Luis Sarlenga and Colonel Gonzalez de la Vega presented excuses for the inconvenience. They reiterate that with a new plan they would be able to ship the remaining materiel, that is, 3,000 rifles; 8,200 cleaning sets; 8,000 bayonets and 9,140,000 rounds of 7.62 x 51-mm ammunition manufactured in 1991.

17. Mr. Roberto Sassen and Dr. Cesar Torres returned to Ecuador and reported on their trip to the Ecuadoran Armed Forces Joint Command, which authorized a 30 day extension of the deadline.

18. 28 April 1995: Mr. Roberto Sassen gets in touch with Luis Sarlenga who urges him to prudently wait until it is established who is the new Argentine president. Sarlenga hopes the wife of Carlos Saul Menem, and not a member of the opposition, is behind the scandal. Sarlenga guarantees that the shipment would be made immediately after Mr. Carlos Saul Menem assumes his second term.

19. Despite what is said, the promise is not fulfilled. Mr. Roberto Sassen demands the return of the money — that is capital plus expenses on 100 percent of the total value of the order — because the client would unilaterally terminate the contract, would not accept partial shipments, and even less if the rifles that did arrive were unusable because of a lack of ammunition. Luis Sarlenga explains that as a result of the scandal it would be very difficult for them to return the money because to do this they would have to undertake several proceedings before several Argentine Government agencies. He fears this might lead to an information leak and the scandal would grow bigger.

20. In view of this nonfulfillment of contract, the honorable National Defense Board — in compliance with the contract and with what is established in the National Contracting Law — unilaterally terminates the contract and demands from the insurance company immediate payment of the total value of the contract and of the respective fines.

19 and 31 July 1995: Mr. Roberto Sassen informs the Caribbean Companies Group Inc. and Hayton Trade representatives of the decision. Company representatives indicated that at least 9,200,000 rounds of ammunition were on their way to Ecuador. This had to be acquired in Iran in view of the scandal. There is also information that the ship named Homrestrand — carrying 9,200,000 rounds of ammunition — left the port of Van Banar-Abbas, Iran, on 30 July 1995. It is guaranteed that the ship would reach Guayaquil between 10 and 15 September at the latest.

The ship arrived on 30 November 1995, after the scheduled date so — unfortunately — the shipment was rejected.

21. As the shipment was incomplete — the quantity and accessories were incomplete — the rifles were stored and not distributed to any detachment. They remained unused in the hope that the offer would be fulfilled, that the remaining rifles, accessories, and ammunition would arrive.

22. An inspection of the delivered materiel was then made to determine how much to in accordance with the contract under the National Contracting Law. The inspection established that the rifles are not new, that the life span of some of the rifles had expired. In sum, the contract was not fulfilled.

23. Procedures are immediately undertaken to collect the guarantee — which totals $365,500 — from the Equinoccial Insurance Company.

24. Despite what was said in December, the National Defense Board, Roberto Sassen, and the Equinoccial Insurance Company Inc., resume negotiations. This is a clear sign that the client is willing to resolve this difficult problem.

25. The National Defense Board summons working meetings on 21 November and 7 December 1995 to resolve the acquisition of materiel. On 13 February 1996 the National Defense Board submits a draft bill terminating the supply contract which states:

- The equipment was unacceptable.

- The equipment was incomplete.

- The insurance company payment totalled $364,000.

- The suggested solution is to replace the contracted equipment with another to be chosen and in compliance with terms established by the National Defense Board.

- The delivery of a bank warrant to guarantee the fulfillment of what is agreed.

26. The parties are deadlocked over the FFMM's inability to return the money, provide a guarantee, or deliver the contracted materiel, which are the alternatives raised.

The following are the alternatives proposed by the National Defense Board:

- To return the money delivered to the supplier, FFMM, in view of the nondelivery of the complete shipment and in view of the quality of the equipment that was shipped

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(used and dated) which is not in compliance with what was contracted (new and without use).

- To replace them with equipment to be chosen by the National Defense Board in compliance with a deadline to be established by the board. The attached agreement is drafted to this effect.

- Sums for indemnity, nonfulfillment, renewals, ineffective expenses, and freight costs should be considered in both cases.

Venezuela

Venezuela: Committee Investigates Loss of U.S. Funds

PA1605134696 Mexico City NOTIMEX in Spanish 1636 GMT 15 May 96

[FBIS Translated Text] Caracas, 15 May (NOTIMEX) — A Venezuelan congressional committee is investigating the loss of $1.2 million the United States has donated to fight drugs, legislative sources announced today.

Deputy Luis Leon said the U.S. Government in 1993 donated the money, which the Interior Ministry received, to assist the Venezuelan authorities' war on drugs. Leon said the money was transferred to the Finance Ministry and later to the Defense Ministry where "the trail was lost."

The $1.2 million should have been used to purchase boats with outboard motors and other basic equipment to fight drug trafficking.

The Interior Policy Committee will question former Finance and Defense Ministers Carlos Rafael Silva Munoz Leon and General Rafael Angel Montero Revete, respectively, the deputy said.

The lawmakers will also summon the DEA chief in Venezuela, Leopoldo Areguin, to comment on the fate of that money.

Venezuela: German President Ends Visit, Departs

PA1605231496 Caracas Venezolana de Television Network in Spanish 0230 GMT 15 May 96

[Report by Pedro Prado; from "The News" newscast]

[FBIS Translated Text] German President Roman Herzog's visit to Venezuela has reinforced the friendship and cooperation ties between the governments of Venezuela and Germany. The presidents of the two countries today signed important agreements for mutual promotion and protection and the creation of the Alexander Humboldt Bicultural Meeting College.

Herzog arrived in the country on 10 May for a four-day visit. He visited the National Cemetery, Humboldt College, Canaima, Tovar Hill, and the orimulsion production plant in Monagas state. In a news conference after the investment promotion agreement was signed, Herzog explained the terms for German investments.

[Begin Herzog recording in German with simultaneous translation into Spanish] We are in a rather strange situation, because at present there is more Venezuelan investment in Germany, in particular in Schlitz, near the Oder river, than there is German investment in Venezuela. This should be understood in the context of the present economic insecurity.

President Caldera is working hard at restoring economic security, which can become another landmark in the path that the two countries will tread together. Investment will surely increase through this agreement. [end recording]

The questions also included the importance of orimulsion, a non- polluting fuel made of gas and liquid coal. Herzog said he obtained the necessary information for future agreements. He also said that the German delegation members were greatly impressed by the local landscape and cultivated fields. Of course, Herzog expressed willingness to expand tourism agreements. President Caldera reminded those present that Venezuela is the first Latin American investor in Germany. He underlined Europe's importance for Venezuela.

[Begin Caldera recording] Europe's experience is vital for us. We cannot overlook the fact that the economy is important; however, and, for this reason, we are asking Europe not to overlook Latin America's economy, which requires Europe's understanding, support, and cooperation. We talked with Herzog about this subject. The European community, and Germany in particular, are aware that in Latin America they have one of their first priorities in their relations with the outside world. [end recording]

Germany plays a very important role in the preservation of peace and international economic order. Latin America emerges with a huge number of possibilities to reinforce relations, not only between Venezuela and Germany, but between Europe and Latin America. These relations will be reinforced through a visit to Mexico in the near future. Different cultures, but a common objective: economic growth.

After a six-day stay in Venezuela, Herzog left for Germany. He was bidden goodbye by President Caldera, who thanked Herzog for his visit to Venezuela.

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Venezuela: Caldera Meets With Libyan Foreign Minister

LD1605184696 Tripoli JANA in English 1738 GMT 16 May 96

[FBIS Transcribed Text] Caracas, 16 May (JANA) — President Caldera of Venezuela received yesterday the secretary of the general people's committee for foreign liaison and international cooperation who is currently visiting Venezuela.

The president of Venezuela asked the secretary, during the meeting, to extend his compliments and regards for the leader of the great al-fatah revolution. The meeting handled the two countries' bilateral relations.

Venezuela: Comptroller on 1995 Spending, Secret Allotments

PA1605013696 Caracas EL NACIONAL in Spanish 10 May 96 p D-1

[Report on interview with Venezuelan Comptroller General Eduardo Roche Lander by Wilfer Pulgarin]

[FBIS Translated Text] Even though the annual reports the Comptroller General's Office [CGR] drafts on state administration always prompt press headlines and a singular audiovisual display, Eduardo Roche Lander has said that the last thing he wants to do with his recent report to Congress is to trigger a scandal or confront the government. What we want is for the assessments we made to be useful, to make one aware of the problems we have, then correct them, and obtain more favorable results.

In this regard, he believes that the work done in 1995 was more efficient than that done in 1994. This is how, he pointed out, we could prove irregularities made by high-ranking officials ranging from former President Jaime Lusinchi (the case of the Bank of Commerce) to banker Orlando Castro, including ministers, judges, and mayors.

To those who believe that this report is just "one more" report that will not trigger significant consequences, he said: the thing is that the Comptroller General's Office has a saying about the administrative field. The question we are constantly asked is who have you imprisoned, and they forget that the CGR has never been and will never be able to imprison anyone. It is not its turf; its turf is to work on administrative issues and provide evidence on records sent to courts.

Roche then affirmed that this office's role must be more preventive than punitive, a role which he stressed as he pointed out that harm to the Republic is usually irreparable, as was the case with financial subsidies. However, he recalled that the new CGR organic law, which is only beginning to be implemented, grants more punitive power to this office. It can now suspend officials — even those who are occupying their posts — for up to three years. In addition, an administrative sanction compulsorily leads to the official's dismissal. Likewise, fines, which used to be ridiculous, have been increased to significant amounts.

The Secret Allotment

As for the contents of the 1995 report, the comptroller general admitted that one of the ministries on which there were the most observations, aside from the Social Affairs Ministry and the ministries in charge of infrastructure, was the Defense Ministry. The CGR made several observations about the Defense Ministry, both in its administrative spending and its participation in the Security and Defense Allotment (which it shares with the MRI [Ministry of Interior Relations], the Foreign Ministry, and the Justice Ministry):

Roche believes that the Comptroller General's Office of the FAN [National Armed Forces] and the internal comptrollers' offices of each force have fulfilled their duties. However, he assessed that the annual changes in military commands alter management and trigger problems, especially in the handling of contracts.

He does not fully justify the fact that the Security and Defense Allotment totaled 137.187 billion bolivares in 1995. The purchases of uniforms and weapons, information that is known around the world, cannot be included as part of this allotment. All governments must have secret allotments for intelligence management, both domestic and foreign. In this case, however, I believe that new legal regulations must be drafted to restrict the spending of this budgetary section, which must be audited and considered to be operative.

[Pulgarin]**As was the case in 1994, did you see irregularities in the management of social programs in 1995? What is happening here?**

[Roche] The situation in the ministries and bodies managing these programs is alarming, because, in a situation such as the one we are experiencing — when we are about to receive many more resources — these institutions must be organized to fulfill their mission. There were incompetent foundations managing funds for social programs in 1995. Part of the resources were deposited in banks instead of being used on the programs themselves.

[Pulgarin]**How do you see the situation at the ministries in charge of infrastructure, especially the MTC [Transportation and Communications Ministry]?**

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[Roche] The MTC's disorder and lack of effectiveness have not improved; on the contrary, the 1996 indicators make one think that this situation will continue. Just like last year, when there was a controversy because these ministries (MTC, MARN [Environment and Renewable Natural Resources], and Mindur [Urban Development Ministry]) had not used their budgets in the time the law stipulates; this year the situation seems to be much worse.

[Pulgarin] **The CSE [Supreme Electoral Council] case is pathetic. More than 50 percent of its expenses were questioned...**

[Roche] The audit was conducted at the request of the CSE itself due to a general suit. The investigations are about to end.

[Pulgarin] **Why are there no consolidated figures on the losses the Republic sustained in 1995?**

[Roche] As was the case in previous years, we have found out that the assessment on the state assets had not been made; we have moved forward, however. For instance, we have detected that there are ministries that do not know how many bodies they have. We have proceeded to make an appraisal, both in the centralized and decentralized administration and in all municipalities. I hope that next year we will have a complete assessment on the Republic's reality concerning its assets, spending, and losses.

[Pulgarin]**Your report indicated that the public administration deficiencies increased, instead of diminishing. Has the government not taken the necessary measures to resolve this problem?**

[Roche] At times of crises, such as the one we are experiencing, we need to take measures complementing the macroeconomic and fiscal ones. If we take them, we could start succeeding by year's end. I am optimistic. The thing is that we have to warn people who can make decisions, and I believe that the chief of state must lead this process to revive the state.

[Pulgarin] **Do you notice the political resolve to do this?**

[Roche] We at the CGR have to point to the situations and request corrections. However, it is not up to us, but to all Venezuelans, to demand the president fulfill the mission for which he was elected.

Venezuela: Megacredit for Budgets, Social Programs Approved

PA1505172496 Caracas Venezolana de Television Network in Spanish 1530 GMT 10 May 96

[Report by Pedro Prado, from "The News" newscast; speakers identified by caption; passages within quotation marks are recorded]

[FBIS Translated Text] After a four-hour debate, the congressional plenum approved a megacredit for 765.085 billion bolivares requested by the executive. These funds will be allocated for ministerial budgets and social programs.

[Congress President Cristobal Fernandez] "A large portion will be allocated for social programs. These programs are pivotal in this very difficult stage, which requires that the less privileged sectors be granted social compensation."

Copei [Social Christian Party] believes it has fulfilled its obligations with the country.

[Unidentified Copei representative] "The approval of this credit is very important, and it was approved via a joint effort by Congress and the government."

AD [Democratic Action] insists that it was not necessary to approve more funds for bureaucracy in Congress.

[Unidentified AD representative] "When we discuss the budgets of the two congressional chambers and the budget for common services, I will demonstrate that in these three months of government, from March to May, money has been spent without being allocated in the budget or complying with the law and in amounts that have not been sufficiently controlled and authorized by Congress."

R Cause [Radical Cause Party] described as unconstitutional the approval of the megacredit.

[Representative Jorge Roig] "We believe that social programs are important, but they must be managed through the mayor's or governor's office and must be allocated funds as resources become available in the country. Congress should have approved the national budget, which also amounted to 765 billion, before approving this credit."

In the end, these approved funds will be used to pay, as of 15 May, the promised bonus.

[Rodrigo Peraza, director of the Central Budget Office] "It is possible that this information will be published in the OFFICIAL GAZETTE on Tuesday. However, the efficiency of the public administrators will play a pivotal role."

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The congressmen took exactly 20 days to approve this megacredit for the executive for 765.085 billion bolivares. Of this total, 9 billion bolivares will be allocated to the overall security plan.

Venezuela: Poll Shows 'Dissatisfaction' Over Democracy

PA1405173196 Caracas EL NACIONAL in Spanish 6 May 96 p 2D

[Report by Ricardo Escalante]

[FBIS Translated Text] According to a study by the Thought and Action Foundation [Fundacion Pensamiento y Accion] under the title: Democratic Culture in Venezuela, conducted by the U.S. International Republican Institute [preceding three words in English], there have been significant changes in recent years. In addition, the study reveals that skepticism is widespread.

Thirty-nine percent of the people in Caracas, Maracaibo, and Merida show a conditional devotion to democracy; meaning that "under certain circumstances, a nondemocratic government can be better than a democratic one." Democracy is no longer an absolute benefit for citizens, however, when a reduction of the state apparatus was mentioned, they said that they continue to expect its protection.

Foundation President Eduardo Fernandez will present in a few days a report of an investigation based on a poll the Consultores 21 firm conducted in the aforementioned three cities. Additionally, two meetings were held last week with bishops and intellectuals for this purpose.

Fernandez said the foundation aims to detect attitude changes among Venezuelans and to analyze their importance and repercussions in order to understand political changes and find ways to "reinvent" the system.

This is why he urged national leaders to reflect in order to find solutions and consolidate institutional trust and loyalty.

Only one out of four polled voiced satisfaction (much or some) with democracy in its current state in the country. Three out of four are dissatisfied (very or somewhat). There is a big difference.

In preparing the questionnaire for the poll, a workshop was held with representatives of the Republican Institute, Thought and Action Foundation, and Consultores 21, as well as with 15 national and international specialists. The sample consisted of 700 persons (300 in Caracas, 200 in Maracaibo, and 200 in Merida). The margin of error is 3.36 percent and the reliability is 95.5 percent.

The foundation headed by Eduardo Fernandez will promote a national debate on the need for a change in the democratic culture. A change from its current sociocultural profile, that has a dependent and cliental [clientelar] character, whose basic beliefs reinforce the need for an almighty and redistributionist [redistribuidor] state that discourages personal and competitive initiatives.

An alarming 81 percent dissatisfaction (some or much) is observed within the middle class.

According to an analysis of the poll, discontent toward democracy is evident, but many strong critics still believe in the system. This, however, does not lessen the impression that deterioration of democracy could be among the factors that could destroy the "ideal of democracy." This is so because the stronger and more persistent dissatisfaction becomes the more doubts there will be about whether this system is preferable over any other type of government.

The negative attitude toward the performance of democracy in Venezuela is attributed by 51 percent of those polled to "economic problems" first and to "political problems" (18 percent) second.

For a large majority, corruption is the cause and explanation for all economic problems. They hope to have a rich country once corruption is eliminated. Another important result is that 71 percent of those polled stated that "if the economic situation improves, the political situation will automatically improve."

The last chapter of the study titled Democratic Culture in Venezuela, which is 73 pages long, contains reflections on the challenges of democracy. It stated that the results "show that love with hunger will not last," as the saying goes, or as President Caldera said during his 4-F [not further identified] speech: "It is difficult to ask the people to sacrifice themselves for liberty and democracy when they know that liberty and democracy will not be able to feed them."

"The general belief is that a wealthy country corruptly administered fosters feelings and demands for justice, order, transparency of public actions and civic education for all. The core of democracy is the direction of its economic policies. It is here that Venezuelan democracy stumbles upon ancient cultural difficulties: The definition of utilitarian relations between the State and the individual."

Poll results showed that present Venezuelan democracy prompts "little" (53 percent) or "no" (26 percent) citizens' participation. Additionally, it shows that the

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practice of association is not popular among citizens. As little as 37 percent "feel they belong to some type of organization," and out of them, more than half have little involvement in the activities that those organizations might carry out.

View on Politicians

Approximately 40 percent of those polled said political parties do not help inform the government about what Venezuelans want and their concerns; 48 percent said politicians are not interested in peoples' problems; 40 percent said parties are not necessary to protect the interests of the different groups and social classes; 72 percent answered "nothing" when asked if politicians should earn more for what they do.

The study warns that it is not strange, therefore, that everything that "smells" like politics or party-oriented has the tendency to be rejected. In case of a presidential candidate, 26 percent would prefer a retired military; 24 percent a woman; 14 percent an intellectual and only 8 percent would vote for a politician. Additionally, if they were to make the perfect portrait of a leader, "belonging to a political party" is something that almost nobody (2 percent) would take into consideration. However, the "power" a political apparatus has to win an election is praised in spite of everything, including reluctance, criticism and bad image; 55 percent said that "it is impossible for a candidate without a political apparatus to win the elections."

The Irony of Paternalism

Another of the results of the poll is the acknowledgement by the people polled that training and educating the people is the best way of using the country's resources, adding at the same time that the fewer sacrifices required the better.

The lower classes (poor and extremely poor) tend to resist and disagree on the implementation of two strict measures (payment of taxes and reduction of public employees); but the higher classes (middle and high) display ample support for them.

The lower classes will be the most affected with the dismissal of officials, thus their resistance. The Democratic Action (AD), Social Christian Party (Copei), and National Convergence are also reluctant. Maracaibo supports the good things more than any other, but with the same passion opposes difficulties and sacrifices.

Peoples' opinion on the economic issues and the role of the state seemed filled with doubt and contradictions. They acknowledged the convenience of privatization, but at the same time, do not want the state to lose control over the economy; they share the general idea that competition is good, but vow for better wealth distribution.

To measure the aforementioned, the study uses figures identified as "weight," which correspond to the importance of each phrase in the shaping of factors, and "agreement," which correspond to the average resulting from the values given for the phrases "strongly agrees", "agrees," "disagrees," and "strongly disagrees."

In regard to the phrase: "Privatization of state corporations would make the country's economic situation better," the agreement ratio was 2.72 percent and the weight was 41. Regarding the phrase "if the economic situation improves, the political situation will improve as well," the agreement ratio was 2.97 percent.

Venezuela: Center Views Social, Political Climate

96SM0275A Caracas EL NACIONAL in Spanish 25 Apr 96

[Received via Internet: "Jesuits: We Are on the Verge of Social Upheaval"; received via Internet]

[FBIS Translated Text] In the Jesuit sector of the Church—specifically, in the Gumilla Center—there is concern about the social violence that may erupt as a result of the accelerated exacerbation of poverty. In a lengthy confidential document titled "Analysis of the Venezuelan Situation" that is circulating throughout the Church and the government, the Gumilla Center presents a detailed analysis of the political, economic, and social climate. It emphasizes the need to immediately implement programs to curb the deterioration of the population's living conditions.

"The pressure on the population has increased over the past three months. It is obvious that poverty is on the rise, even if the statistics are lagging behind. The deprivations of the poor have increased, as has the number of those living in poverty. Apart from the numbers, there is a widespread feeling that the situation will worsen as the year progresses. There is a fertile breeding ground for increased anomie and for violent manifestations."

The Gumilla Center is a sociopolitical research institute headed by Father Jose Virtuoso. One of its organs of communication is the magazine SIC. Arturo Sosa Abascal, a controversial Jesuit who has written several books — the most noteworthy of which include one on Venezuelan positivist political thought and another on Romulo Betancourt and the PDN — is the editor of SIC and is actively involved in the center's endeavors.

The Jesuits maintain that "the gradual and steady impoverishment, both personal and collective, that is

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taking place in our society cannot be attributed to the culture of independently wealthy populists [cultura rentista-populista] any more than to the government's squandering of the wealth of resources that belong to us all, or the spread of rampant corruption throughout every aspect of political and social life."

Throughout the text, the term "anomie" is used; this is a fashionable term that refers to a severe social pathology capable of disrupting the organic functioning of the social body. The institute points to the widespread frustration that is dampening spirits in all social sectors. "This frustration fosters disillusionment and despair, and it lies at the root of the social disintegration that is making anomie the norm in the daily coping strategies of society."

The document consists of several parts, all of which challenge the messianic and caudillo models for the exercise of power. Much of the population has begun to repudiate these leadership styles. "Consciously or unconsciously, the fallacy that first we must produce wealth and then worry about distributing it, as if the two operations could be separated, appears to prevail." To illustrate this point, the document recalls that the government terms social programs "compensatory" — that is, secondary. Among the data cited is the fact that 450,000 families are not eligible for any social program, while 2.5 million extremely needy individuals are not receiving any benefits. According to a study by UNICEF and the Office of Coordination and Planning [Cordiplan], 71 percent of families (with an average of 5.2 members) can be considered poor, as their income is not enough to purchase the basic basket of goods and services.

One of the Gumilla Center's main charges against the Caldera administration during its first two years is that during that time it has been unable to propose a vision that will serve as a guiding light for society's activities, nor has it been able to implement a social process to achieve that objective. The government has taken few steps in the direction of convening the national elites for negotiations. The call for an anti-inflation pact has been the most important initiative along those lines, and it is well known that the administration itself has been divided on the issue and many sectors of national life have expressed skepticism. The government prefers the diffuse support represented by Caldera's popularity, and has relied on his mass-scale relationship with the people rather than seeking negotiations among more or less representative groups.

"Part of the fallacy is that the hierarchy of priorities is hidden in a substantial increase in the resources allocated to social programs, which is nothing more than recognizing the failed economy's inability to generate and distribute wealth so that each person will have the income necessary to make a living from his normal contribution to social production."

The institute advocates the use of social policy as a vehicle for bringing democracy to the culture of independently wealthy populists. It attributes particular importance to this notion, especially for the difficult times that lie ahead. The State's action should be aimed not only at alleviating the most critical situations, but also at helping to change the political attitudes now prevalent in the population and contributing to the reform of the State, with special emphasis on encouraging decentralization and strengthening participatory organizations.

We must lift our sights beyond the demands of the moment, although it is certainly necessary to meet short-term needs as well. In the Gumilla Center's view, the advisability of an agreement with the IMF to reform the economy depends on how the negotiations fit within the context of the long-term strategy. An IMF agreement is just one point in a process. That is not to detract from the importance of the present moment, but the depth of the issue must be appreciated. The key is to reach an agreement among ourselves about what we want and what we can do, and to turn the talks with the IMF into a step, perhaps a big step, in that direction.

The more "isolated" the agreement with the IMF is from the complex series of social factors that are unique to Venezuela's situation, the less it will contribute to a true solution. No one doubts the need for belt-tightening to correct the budget deficit, reduce inflation, and free up economic activity to attract investment and generate employment. That adjustment can be attempted with successive devaluations of a fiscal nature, which would fuel inflation and keep the economy paralyzed; or it could be carried out by sacrificing international reserves in the hopes of replenishing them with oil reserves.

An adjustment always has a limited scope. It becomes meaningful only if it is placed in the context of all structural reforms that are necessary for a strategy of long-term economic development. The current debate tends to focus exclusively on the "now" and on the economic aspects of the belt-tightening, losing sight of the overall context of development strategy not only in the economic sphere, but also in the political, social, and cultural spheres.

The advisability of negotiating with the IMF is a function of the political complexity of the decisions that must be made by a government whose domestic political support was originally based on its opposition to such talks, but which is now forced to negotiate while trying not to lose its legitimacy.

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In addition to the "compensation" that is commonly understood to be necessary to deal with social crises that result from the belt-tightening plan, there is that which has become necessary because of the events of the last few years. In particular, there are the radical social programs aimed at reforming the government: education, particularly at the primary level, and health care—well funded, properly equipped, and overseen by the community; roads in neighborhoods and villages, sewage treatment, and running water; efficient bureaucracy; swift administration of justice; job creation and manpower training.

Furthermore, the document states that the tax reform that got off to a good start with the Seniat is an indication of the end goal: to ensure that everyone pays taxes. At the same time, it urges electoral reform, including the establishment of an autonomous electoral agency. The hypertrophy of the military presence is helping neither the electoral process nor the Armed Forces nor the democratization of society. The massive presence of military officers makes the election too olive green.

The present approach helps strengthen the notion that "security" is something specific to the Armed Forces and not to civil society; it encourages confusion between any dissidence or political protest and the subversion of public order, making the use of armed repression the "normal" way of maintaining and assuring order. Moreover, in this context, the participation of active military personnel in elections as voting citizens should be examined.

Venezuela: Senate President on Political Reforms

96SM0275B Caracas EL UNIVERSAL in Spanish 15 Apr 96 Section 1 p 14

[Interview with Senate President Cristobal Fernandez Dalo by Ninoska Marcano M.; place and date not given; first paragraph is EL UNIVERSAL introduction]

[FBIS Translated Text] His task will be to improve Congress's work, and for that purpose he plans to tighten the belts of congressional representatives by cutting their 400,000-bolivar salary when they do not do their jobs. He has announced layoffs of unproductive personnel, and notes that although the Tripartite Alliance of Democratic Action [AD], Cause R, and the Movement Toward Socialism [MAS] has a majority, action cannot be taken by fiat, but must be agreed upon by consensus. He agrees that the office of prime minister should be created, that a recall referendum should be held for both the executive and legislative branches, and that a constituent assembly should be convened. He warns of the emergence of new mafias linked to drug trafficking, and declares that he will support whoever investigates them. He recalls that his relationship with Thor Halvorsen was one of "communication and exchange of information."

Caracas—Gone are the days of laboring in the austere office of the commission that investigates money laundering in Venezuelan banks. Today, ensconced in the expansive presidential office of the legislature, recently elected Senate President Cristobal Fernandez Dalo continues to warn of the present danger of drug money laundering. His cause now, however, is a different one: preserving the stability of Venezuelan democracy.

At 42 years of age, his self-assurance explains how he survived the relentless pressure of the mafias; and his precocious political career, begun at the age of 14, is his source of hope that the Venezuelan democratic system can be improved.

Until a short time ago, he lived in the congressional compound. Before that, he had lived in Maracay, although for a short time, and it is his dream to ensure that the common citizen's opinion is really heard. He still has a lot of work ahead of him to make that dream a reality.

He talks about reviewing and reducing congressional salaries and shrinking Congress's payroll.

Democracy for a Democratic System

[Marcano] History has shown that democracy cannot survive when the levels of poverty are below the line of survival, or when the middle class begins to disintegrate. Do you think that the Venezuelan democratic system can survive the current economic situation?

[Fernandez] I think so. I believe that our people have a great deal of democratic maturity; but I also believe that changes in the political sphere—drastic changes—are imperative today. It would be a good idea to revisit the National Constitution and consider reforming it to include the possibility of convening a constituent assembly, and of holding a recall referendum for both the executive and legislative branches. The office of prime minister should be created, to be controlled by Congress and appointed by the president. The prime minister could be voted out of office by Congress with a super majority vote. I think these reforms are indispensable, as is the modernization of the electoral system. One of the elements contributing to democracy's loss of credibility is our outmoded and ineffectual electoral system, in which we do not know six months after the election what the real result was, and there are still revisions in the circuits. That has got to stop, because it undermines the legitimacy of our democracy. In other words, we must think of electoral reform as the starting point for bringing about these changes.

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[Marcano] When you took office as president of the senate, you said that "guaranteeing the political stability of the country is the wisest course of action." What are some of the new ideas that are being or will be implemented to guarantee democratic stability?

[Fernandez] I think that the fundamental idea is dialogue and communication. What people are demanding is to be informed and to know what is going to happen.

One of the most frequent mistakes is to take measures without consulting anyone, behind people's backs. We are going through a period in which we must speak to public opinion a great deal, and not just to the political world, but to all organized sectors of society. I think that is a key to the success of the economic measures.

[Marcano] Do you think that the average Venezuelan believes in democracy and would be willing to defend it if it were in danger?

[Fernandez] Yes. I am convinced that people know that, with all its flaws, a democracy in which the defects of government officials can be exposed is preferable to a tyranny in which dictators have unlimited ability to steal and also enjoy the power of censorship to prevent public knowledge of their wrongdoing.

I believe that the honeymoon has been over for some time now, and today there is at least indifference, if not rejection, of everything that democracy means. Hence the need to renew it, to undertake reforms to expand democracy — because the ills of democracy can be cured only with more democracy.

[Marcano] Do you consider yourself a new leader, part of a political transition that means the end of the traditional political model, paving the way to a new era?

[Fernandez] Yes, we are undoubtedly undergoing a period of change in Venezuela. The generations who have governed us have had their time at bat; it will be up to historians to calculate their batting average.

When I took office as president of the Senate, I was fully aware that what was at stake was not my political success, but the potential of a generation that has a great deal to offer the country in terms of knowledge and technical training, and that has not found any avenues by which to make the true weight of its opinion felt.

Rough Roads and Solutions

[Marcano] In many Latin American countries, the legislature is viewed as inefficient and corrupt, to the extent that in Peru's case, as you know, President Alberto Fujimori opted to go outside the Constitution to solve the problem. How is the Venezuelan Congress different from theirs?

[Fernandez] I think that much of the criticism leveled at Congress by the man in the street is well-founded. Congress as an institution has been very slow to respond to problems, and has not been very attentive to people's demands.

I feel that there are very high expectations as a result of the change in leadership, and some people seem to have forgotten that it is only the executive council, not the composition of Congress, that has changed. Today we have a chance to put together a majority through an agreement on congressional operations involving the Social Christian Party [Copei], Cause R, and the MAS; however, that majority cannot act by fiat, but must reach a consensus with the other parties.

I believe that all parties can work out a plan to restore Congress's image. There is no doubt that its image has been shaped by the improper behavior of many congressional representatives who do not fulfill their duties, who do not respond to the interests of their constituents, and who—in some cases, not the vast majority—enjoy lifestyles that are clearly beyond what their declared income could support. This can and should change.

We are studying a revision of congressional salaries to favor a return to the per diem concept; in other words, congressional representatives should be paid for working, for attending sessions, for going to committee meetings; and should be penalized financially for failing to carry out their duties — that is, for not attending, not submitting reports, not doing their jobs.

I believe that these measures would do a great deal to restore Congress's image, especially at a time when we are demanding sacrifices of everyone, and people will not let these circumstances continue without demanding sacrifices of us as well.

[Marcano] Do you think this project can really become a reality?

[Fernandez] We have already begun to study various measures. They are not considered definitive measures; there are several options. But all of them are aimed at reducing fixed income by a certain percentage and transferring part of the income to the per diem rate, the fee for attending sessions, and the fee for attending committee meetings.

[Marcano] What is your salary as president of the Senate?

[Fernandez] My salary is around 400,000 bolivares; I do not know exactly, because the MAS takes one-third, and that is what I have left. And this is the case with the MAS; it varies with the other parties.

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[Marcano] Could you be a little more specific about the study of salary cuts?

[Fernandez] There is a base pay, excluding the committee chairmen and the members of the executive council, who receive a special bonus. But the idea is that part of the base pay would not be fixed, but would be an amount allocated as a function of attendance at sessions and committee meetings. In general, we are not talking about a discriminatory study. President Caldera has not been involved because this is strictly an affair of Congress. We have consulted with the various members of the alliance to find the best way to proceed.

[Marcano] How many employees does Congress have? Have you planned any payroll cutbacks?

[Fernandez] There are around 3,000 employees at all levels, which is much higher than is really necessary. The figure is inflated by the presence of unproductive personnel who have no specific functions, the product of many years of political patronage, for which all parties are to blame. A payroll cutback is feasible and indispensable.

[Marcano] And when will the changes take place?

[Fernandez] They will be carried out this year, after we complete the collective bargaining talks, in which we are engaged right now. We hope that this very April we can reach an agreement with the union.

[Marcano] It is well known that the average Venezuelan has virtually no access to Congress. In the United States there is a more intrinsic relationship between congressional representatives and the populace. Have you thought of addressing this problem, especially at a time when the people will be demanding more explanations?

[Fernandez] You have given me the opportunity to point out a paradox. Most members of Congress, who of course are from the interior, are kind of like pariahs in Congress.

The representatives arrive from their districts Monday afternoon or Tuesday morning, they get off the plane with their briefcases, and—except for those who are active in caucuses that give them a place to sit—it is physically impossible for them to deal with constituents, to read documents, to hold meetings.

To have an office in Congress, you have to be a committee chairperson, a caucus chief or deputy chief, or a member of the executive council, or you must have the connections to get an office held since the days when there was less competition for office space. Such people are in the minority.

But around 150 deputies and 25 senators have absolutely no place to work, no telephone, no secretary to take phone calls and keep their schedule. Under these circumstances, it is extremely difficult to do an effective job as a legislator. That is one of the problems we plan to solve.

We are studying, among other things, the possibility of reaching an agreement with the Deposit Guarantee and Bank Protection Fund [Fogade] on a nearby building that used to belong to a banking institution. We intend to purchase it to establish offices for members of Congress who are not committee chairpersons.

Drug Money Laundering, an Investigation, and Castro Behind Bars

[Marcano] You were one of the key people in bringing evidence before U.S. Attorney Robert Morgenthau in New York regarding the secret bank accounts of former President Carlos Andres Perez in 1991. That case, in turn, involved several bankers, including Orlando Castro. Could you tell us about the effect these irregularities have had on the country's current financial situation?

[Fernandez] We conducted that investigation five years ago under very precarious and truly adverse circumstances, against extremely powerful enemies. We were left almost completely on our own. Now we have been vindicated by the arrest of Orlando Castro in Miami and the possibility that he may be tried in New York.

I feel that one of the greatest threats to Venezuela is the financial activities of drug traffickers in our country.

In Colombia, the presence of drug trafficking is about to destroy democracy, and possibly the nation itself.

In Venezuela, drug traffickers have not established much of a presence in terms of production, but they have been very influential in turning the country into a bridge to other countries, and in encouraging our population to use drugs, which is an increasingly disturbing problem, though it has never come close to the levels seen in the United States and Europe.

But the worst threat lies in the financial sphere, because our financial system is weak, as was demonstrated clearly in 1994-1995. Today it is a system resting on quicksand, and that is a condition that favors the money launderers' activities. It should be noted that the greatest problem facing drug traffickers is how to legitimize their capital. This is an activity that generates a lot of money — and it is cash, because people do not buy drugs with credit cards or checks. The volume of the cash they handle is many times greater than the volume of the drugs they sell.

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In the United States and Europe, there are very rigid financial restrictions on cash transactions. There are ceilings on the amount that can be transferred; if you want to move $10,000, you have to account for the origin of the money, fill out a report. On the basis of that report, they follow you and investigate you. We do not have that here, so when they need to launder their money they look for countries like ours that have weak financial systems.

[Marcano] So you confirm that at present our banking system is still facing money laundering problems?

[Fernandez] Right now less than in 1991-1992, mainly because of everything that happened in 1994 with the failure of so many banks; but the threat is still present.

The experience of the past five years should make us act with caution in the immediate future, to prevent the recurrence of what happened a few years ago.

[Marcano] Do you think that the situation of the money laundering mafias has changed since 1991?

[Fernandez] The mafias at that time suffered many blows, but others are undoubtedly being established right now.

[Marcano] Based on your experience, could you name some of the banks that are still involved in money laundering?

[Fernandez] No. Right now I do not have any new information, I am just basing my statements on my experience and intuition after having dealt with this issue for so many years.

This experience allows me to assert that there is a threat, not of a money-laundering apparatus like the one in the past, but a threat of penetration that the Venezuelan state should take steps to prevent.

[Marcano] Would you be willing to renew the campaign you launched in 1991, despite your new duties as president of the Senate?

[Fernandez] Yes. At present I intend to continue fulfilling my duty to unmask the financial agents of drug trafficking, without stepping down from my position as president of the Senate — with the understanding that every time I take action, I will do so with sufficient evidence.

My role this time should not be that of an accuser who files charges; but I will support any investigative action against money laundering by the members of Congress who investigate money-laundering cases and devote themselves to fighting this pernicious activity.

[Marcano] What kind of relationship have you had with the controversial figure Thor Halvorsen, who at one time was accused of terrorist car bombings?

[Fernandez] Thor Halvorsen has been at the center of a battlefield. He has proven to be a brave person with a lot of personal courage. I would not go so far as to say that I know his most intimate inclinations, but over the years we have established a relationship of communication and exchange of information. And from what I know of him, all I can say is that he has been sincere in acting against drug traffickers and their financial agents.

Many Laws, Little Action

[Marcano] Why does Congress get bogged down when it comes time to enact legislation?

[Fernandez] I think we do not have a legislative culture. In other countries, a bill takes many months, and even years, to become law; but once it is enacted, it is the law and it is strictly enforced.

And any violation of the law leads to severe punishment. In Venezuela, that is not the case. We do not have a clear idea of what a legal instrument means in this country. We have a tendency toward a rather elaborate legal system, perhaps with too many laws that are not enforced.

[Marcano] So, if you could get rid of some laws, since there are too many of them, which ones would you eliminate?

[Fernandez] That is a difficult question. I think that rather than getting rid of them, I would favor an effort at simplification, taking several laws and condensing them into one, some time in the future. For example, I have doubts about the wisdom of basing our labor legislation on several different laws. Thus, we have the Organic Law on Labor, we have the Administrative Career Law, and in the case of educators, we have the Organic Law on Education. These three laws create an element of confusion, because there are workers who are subject to all three.

That is something that should be simplified, and it is a common pattern in many areas. We must strive for legal simplification.

[Marcano] There has been a lot of speculation about the deterioration of President Caldera's health; some are even calling for him to resign from office. In the worst of cases, you would become president, according to Article 187 of the Constitution. Do you feel prepared for a challenge of that magnitude?

[Fernandez] In the first place, I must say that I am not the president's private physician, but the times I

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have seen him close up I have been convinced that he will attend the funerals of many who have predicted his death.

And in the second place, I am convinced that the best thing for Venezuelan democracy is for President Caldera to finish out his five-year term.

But if my turn at bat comes, I will take the bat, stand in the batter's box, and wait for the pitch, be it a fast ball or a curve ball.

French Guiana

French Guiana: Indonesian, Israeli Satellites in Orbit

PA1605040196 Paris AFP in Spanish 0235 GMT 16 May 96

[FBIS Translated Text] Kourou, French Guiana, 15 May (AFP) — The launch of the 86th European Ariane rocket, which took place Wednesday evening at the Kourou Space Center, in French Guiana, was a "total success." It allowed officials to place two telecommunications satellites, one Indonesian, Palapa-C2, and another Israeli, Amos-1, into orbit.

The launch took place at 0156 GMT on Thursday. Palapa C-2 was placed in orbit 21 minutes later and Amos-1 four minutes later.

All launch operations were "nominal" [nominales], which in the jargon of space technicians means that everything went as planned.

On this occasion, both Israel and Indonesia resorted for the first time to the services of the Ariane rocket.

The next launch of Ariane will take place next 12 June.

French Guiana: Indonesia's Palapa C-2 Satellite Launched

BK1605085096 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 16 May 96

[FBIS Translated Text] The Palapa C-2 satellite belonging to P.T. [Company Limited] Satelindo was successfully launched from Kourou, French Guiana at 0856 West Indonesian Standard Time [0156 GMT] today aboard the Ariane IV rocket of Arianespace, a consortium of several European countries. The launch was delayed for about 30 minutes due to weather and technical problems at the Satelindo Earth Control Station in Jakarta.

Speaking on behalf of the minister of tourism, posts, and telecommunications after the launching, Zakaria Surawijaya, director general for posts and telecommunications, hoped that Indonesia would be able to master satellite technology because what the country has achieved in the sector is very encouraging. Indonesia is at the forefront in this sector in the Asia-Pacific. Indonesia currently has only 1.69 telephones per 100 people and is expected to have 20 telephones per 100 people in 2020.

Meanwhile, P.T. Satelindo President Director Iwasawaka said the Palapa C-2 satellite which has 34 transponders will be stationed at 113 degrees east and will replace the Palapa C-1 satellite. With the Pacific as the coverage point, the Palapa C-2 satellite spans Iran to Vladivostok in the west and Australia and New Zealand in the east.

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